Federal Barge Line Competition—See Pages 12 and 15.

DISTRIBUTION AND WAREHOUSING

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Control of Motor Freight Lines Is Essential to Warehousing's Future

Evolution in Distribution Is Bringing into Existence Truck Terminals with Storage Space for Spot Stocks. Some Shippers' Accounts Are Being Transferred from Established Warehouses. The New Competition Must Be Met by Either Ownership or Cooperation

By Kent B. Stiles

TO the keen-minded executives who have devoted years to building profitable merchandise storage businesses in which they have invested, in the aggregate, millions of dollars, *Distribution and Warehousing* points out—

1. Motor freight lines and depots are being organized and developed in all parts of the United States.

2. Unless the warehouse industry controls them, they will dominate distribution in some sections of the country and make deep inroads on the profits of established warehousing elsewhere.

3. In some cities motor freight depots have been converted into terminal warehouses and have already taken accounts away from warehouse firms which had had the accounts for years.

4. Some of the motor freight lines are under control of railroad or traction interests. The next logical step of these interests is the opening of storage and distribution warehouses.

5. The warehouse industry must both recognize and meet this evolution in distribution.

6. Control of, or a working relationship with, motor freight transport is the answer.

The situation is serious.

Unless warehousing effects such control, or some sort of a cooperative arrangement, there are some of our industry's executives who might as well get ready right now to retire from the picture and go into other lines of business.

Warehousing as an industry needs vision, clear thinking, intelligent planning and aggressive action today as never before. If these are not brought to bear in the new situation involving distribution by motor truck, it is not difficult to believe that public commercial warehousing as at present constituted will backslide; that many established warehouses will go "into the red."

These conclusions as here set down are not just loose talk, or hearsay, or idle fancy. They are based on recent developments and on known trends.

The menace, if one chooses to call it that, is not a thing of the future. It is here. There is unending evidence of its existence. And it must be taken into consideration now or warehousing will find that it has been dealt a smashing blow in its financial solar plexus.

THE writer recently returned from a trip to the Pacific Coast. He discussed this subject with warehouse executives and the operators of motor truck lines and depots.

A few of the storage executives were keenly interested. Others were apathetic; they were unable to see the handwriting on the wall—and were unwilling to admit the significance when it was pointed out to them.

The motor freight operators, meanwhile, were going quietly about their business of taking old-time accounts away from the warehousemen who are indifferent.

To an outsider the situation would have its humorous side; it could be made the basis of one of those business-fiction articles which help make *The Saturday Evening Post* popular with industrial executives in need of mental refreshment.

Some Facts

To anyone concerned with warehousing's future welfare, it isn't funny. It's so serious that one is forced to conjecture as to how certain storage executives—the ones who refuse now to see the light—have succeeded in developing their present substantiality.

If any questioning warehouseman will cross the continent and make such an inquiry as the one recently concluded by the writer, he will readily learn that—

1. In the cities where the motor freight depots are operating, they have been successful.

2. Continued rapid development of these terminals is certain.

3. While the business of these motor freight lines has been primarily that of inter-city freight-hauling, they have been forced to accept merchandise for storage in order to secure the distribution-by-truck accounts.

4. The acceptance of this merchandise has created in the minds of the motor freight line operators the desirability to carrying spot stocks for national distributors.

5. Certain manufacturers, who have for years kept their goods in established warehouses, have come to recognize that some motor freight lines offer efficient distribution facilities a feature of which is only one handling-in charge and one handling-out charge, and have prevailed on motor freight depot operators to increase their available storage space.

6. The gradual transfer of such spot stock from warehouse to motor freight depot has created real competition for the established warehousemen.

And it it competition which cannot be put aside laughingly.

In one city in Washington and in one city in central New York local warehousemen have lost, to motor freight lines, the storage and distribution account of a nationally known soap company.

An equally widely known seed producer has transferred his spot stocks from a warehouse to a freight depot in the same Washington city.

Both these companies are understood to be negotiating with motor freight lines elsewhere, with a view to giving them their spot stock accounts.

The motor freight depots have taken scores of other accounts away from warehouses.

On pages 58 and 60 are news items relating to developments of interest to warehousemen. Here is a significant one which has just been received by *Distribution and Warehousing:*

"Portland, Ore.—Portland Truck Terminal, Inc., has approved plans for extensions and improvements in warehouse and terminal building at 401-7 Irving Street, to provide about 30,000 square feet for loading and unloading service, and approximately 50,000 square feet for storage purposes, reported to cost more than $100,000."

Here is a motor freight line spending a hundred thousand on a warehouse and terminal building. Fifty thousand square feet will be for storage. Whence will come the commodities to fill that space? Will new business, exclusively, be developed by the Portland Truck Terminal, Inc., or will Portland warehouses lose some profitable accounts?

The Trend

In the Washington city mentioned it is not entirely "new business" which is filling the space of the local truck terminal. The freight line operators have turned part of their depot into a public warehouse, and accounts have gone over to them which warehousemen had had for years.

Read these items about companies just organized:

"Buffalo, N. Y.—Buffalo Motor Express Terminal, Inc. Warehousing, storage and trucking. Capital, $25,000."

"Amarillo, Tex.—Amarillo Truck Terminal, Inc. Trucking and warehouse service. Capital, $7,500."

"Milwaukee, Wis. — Milwaukee Truck Terminals, Inc. Trucking and warehousing."

"Saginaw, Mich. — United Truck Lines, Inc. Trucking and warehousing service."

"York, Pa.—York Motor Express Co. has approved plans for a 1-story warehouse and freight building to cost $20.000."

"Louisville, Ky. — The Interstate Freight Terminal has awarded a contract for storage warehouse and freight terminal, reported to cost more than $100,000."

"Philadelphia, Pa. — Philadelphia Drayage & Express Co. has secured a franchise from the Public Service Commission to operate in Philadelphia, Montgomery, Delaware, Bucks and Chester counties, and will develop facilities for a general trucking and storage service in different centers in the counties noted."

From *Distribution and Warehousing's* Milwaukee's correspondent comes word that eight of the larger freight truck lines in Eau Claire have incorporated the Eau Claire Truck Terminals, Inc., with twenty trucks giving daily service to a dozen cities and towns in Wisconsin, Minnesota and the Dakotas—and with terminals in various communities.

Future Warehouses

In Michigan the Associated Truck Lines, comprising five motor freight firms, have merged under the name West Michigan Transportation Co. and will operate fifty trucks and trailers over 450 miles of highway—and between terminals.

In Texas, where motor freight lines have just been placed under State Railroad Commission regulation, fifty new permits for such lines had been issued by early in August. Some of these are identified with established warehouse companies.

The Kansas Public Service Commission is regularly issuing permits for new motor freight lines to operate.

These are some examples. The development is going on all over the country. Motor freight line interests are building depots. These terminals begin to accept storage. The depots presently become warehouses in part or entirely. They must be filled, if their operators are to make money, and one way of filling them is the taking of accounts away from established warehouses—something which is in progress right now.

Warehousing must become motor-freight-conscious. As an industry, it is not, at the present time. There are scattered groups of storage executives, however, who have observed the trend and are planning accordingly. And there are a few who have acted individually.

In Syracuse, N. Y., the local merchandise warehousemen have held several conferences looking toward the organizing of a cooperative motor freight line.

Several years ago the Wagner Fireproof Storage Truck Co., Springfield, Ohio, looked into the future, and today it is successfully operating a motor

freight system with terminals in Ohio cities. The State hums with trucks transportating merchandise, and the Wagner company has retained accounts, and profits, which it realizes would have gone to motor freight lines had it not acted.

The Hartford Despatch & Warehouse Co., Hartford, Conn., is another firm which has glimpsed what lies ahead. Its trucks, running on regular schedule, tap the State's cities south and east as far as New London, near the Rhode Island line, and, moving north, they enter Massachusetts as far as Springfield and Boston. As part of this effort to forestall losing accounts to motor freight lines, Edward G. Mooney, the president, established terminal warehouses in Bridgeport, Conn., and Springfield, Mass.

A Warehouseman's Warning

A committee of the Central Warehousemen's Association of Illinois was appointed some months ago to consider formation of a company for delivery of merchandise by truck, with the association's members' warehouses to serve as terminals where goods would be picked up and from which they would be delivered. Something of this character is what the Syracuse, N. Y., group has in mind. It is a step in the right direction.

It will be recalled that at a meeting of the Central Illinois organization, last February, N. B. Gosline, secretary of the Rock Island Transfer & Storage Co., Rock Island, and who is chairman of the committee mentioned, read a paper on "The Relation Between the Warehouseman and the Freight Truck Line." Pointing out how motor freight lines were cutting in on warehousemen's cartage revenue, he said in part:

"Looking forward a few years, we can see the consolidation of these truck lines into strong companies that will get practically all of the short-haul freight business. When this comes the freight cartage of the warehouseman will be negligible."

Elsewhere he said:

"The average merchant today is a hand-to-mouth buyer. He merely carries a sample line on his floor and buys as he sells. He usually buys from the company that has a convenient stock on which he may draw.

"This is an age of speed and we are all ready to adopt any new method that saves time. You cannot blame the merchant for taking advantage of an overnight freight service with store-door delivery thrown in for good measure instead of the next day or so, haul-it-from-the-depot-yourself, service of the rail lines.

"The overnight zone of the truck line is a circle about 400 miles in diameter. With this service a distributor needs only one warehouse stock in the zone. Will the warehouseman within 200 miles of the larger distributing centers be able to obtain new accounts or hold those which they now have? Or is it possible that, with the slightly higher handling and storage rates and the much higher cartage rates of the larger cities, it will be more economical to carry stocks in warehouses in outlying cities and let the truck lines haul the goods since they give free delivery service?

"Is there anything the warehousemen can do or shall we just remain neutral and watch it develop?"

Another executive who has caught the vision is E. L. Murphy, Sr., president of the Murphy Transfer & Storage Co., with warehouses in the Twin Cities. Long ago he secured motor freight line franchises on highways radiating from Minneapolis and St. Paul to cities and towns throughout Minnesota and in adjoining States. He has accomplished what few warehousemen have done, or even thought of undertaking: he has entrenched himself solidly against successful competition by motor freight lines not equipped with terminals or warehouses.

In the foregoing it has been suggested that the solution of this new problem confronting warehousing lies in control of motor freight distribution or in the establishing of a working relationship with motor freight lines which, already in business, have not yet established terminal warehouses.

An Observer's Suggestion

At the industry's conventions it has been emphasized by speakers that warehouse space is overbuilt. Granting that this is so, why do the storage executives in a given city stand idly by and watch a motor freight line build a terminal and convert it into a competing public warehouse?

To an outside observer comes the thought that the entrance of such competition could be avoided by get-together conferences between the warehouse men—on their initiative—with the motor freight line operators.

If space is overbuilt locally, the logical place for the motor freight terminal is in one of the warehouse buildings already established. Get-together conferences might lead to just such cooperative relationship between the storage houses and the motor freight interests.

Such effort is worth while. It may prevent the coming of the competition. Without the effort, the competition is inevitable.

In Indiana, largely through the work of Tom Snyder, Indianapolis, a mid-west pioneer in motor trucking, there is functioning a cooperative arrangement which is participated in by motor freight lines but also—and this is pertinent to the present discussion—by established warehouse companies in a number of Indiana cities. These include: in Elwood, the Hesler Transfer Co.; in Evansville, the Lex Terminal Warehouses; in Fort Wayne, the Mitchell Sales & Storage Co.; in Kokomo, the Becraft Transfer & Storage Co.; in Lafayette, the Stockton Transfer & Storage Co., in Logansport, the Winegardner Warehouse Co.; in New Albany, the Denny Motor Transfer Co.; in Newscastle, the Rose City Transfer & Storage Co.; in Terre Haute, the Terre Haute Union Transfer & Storage; in Vincennes, the Vincennes Transfer & Storage Co.

Tom Snyder's Vision

These firms and the motor freight and express lines operate as part of the Warehouse Distributing Corporation, of which Mr. Snyder is president, and its subsidiary, the Central Union Truck Terminal & Warehouse, located in the wholesale district near the railroad freight stations and electric railway freight depots in Indianapolis.

The subsidiary gives overnight service and store-door delivery of goods to more than 250 cities and towns in Indiana, and has connections in Chicago, Louisville, Cincinnati and St. Louis.

The warehouses of the storage companies mentioned serve as terminals. In the cities where they are located it would appear unlikely that independent motor freight lines will deem it economically wise to erect terminal warehouses. The local storage firms are already on the ground; they are giving the motor freight service demanded by shippers, and they have the necessary warehouse space in conjunction.

The benefits of such a cooperative arrangement are discussed by G. Lloyd Wilson, professor of commerce and transportation at the University of Pennsylvania, in a recent article in *Commercial Car Journal*—an article written after a study of the situation in Indiana.

"The development of cooperative motor truck terminals and warehouses in commercial centers," Professor Wilson says, "has made it possible for manufacturers to ship solid carloads to the distribution centers, consigning the shipments to the warehouses. Upon arrival the cars are unloaded by the employees of the warehouse com-

panies, and the instructions of the shippers are followed in disposing of the freight.

"Parts of the shipments may be stored awaiting further orders, and the rest turned over to the cooperative motor terminal organizations to be delivered to a number of consignees located in the routes of the motor lines using the terminals.

"Quick and economical distribution is made possible by linking the carload freight service of the railroads, the storage service of the warehouse companies, the small-lot distributive service of the motor carriers.

Tri-Partite Service

"Shippers through this system of distribution are able to take advantage of the low rates and fast freight service of the railroads, of the storage and distributive services of the warehouses, and of the fast and direct service of the motor carriers.

"Each transportation and distribution facility is used in the most efficient way and at minimum expense.

"Stocks of goods may be kept on hand at the warehouses to fill orders as they are received. Replacement shipments may be made from the factories to the warehouses as they are needed. Reduced inventories, rapid turnover, hand-to-mouth buying, release frozen assets for more productive uses."

The integration of railroad, warehouse and motor truck freight services, as viewed by Professor Wilson, may be illustrated by the accompanying diagram. He continues:

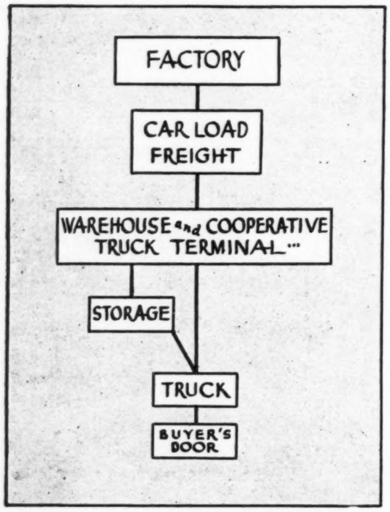

Diagram showing integration of railroad, warehouse and motor truck

"In distributing freight for manufacturers using this system of distribution the warehouse companies act as the agents of the manufacturers, receiving the inbound carload freight, checking contents of cars, attending to freight charges and putting the goods into store.

Motor freight lines, linked with established warehouses, radiate from the Central Union Truck Terminal in Indianapolis and give overnight service to more than 250 cities and towns

"The warehouse companies turn the goods over to the motor terminal organizations for delivery and arrange for the payment or collection of freight and other charges. The warehouse companies keep complete record of the receipt and distribution of each piece of freight and attend to all phases of handling the goods and paper work incident to the receipt and delivery of goods, for which they are compensated by the manufacturers using the service in accordance with contracts entered between the parties.

"The warehouse companies and the motor freight terminal organizations attend to the transfer of the goods from the cars or from storage to the motor trucks, and attend to the records incident to turning the freight over to the motor truck lines for distribution. For these services fees are paid by the motor lines receiving the freight for distribution.

"A typical agreement between a truck terminal company and the lines using the services of the company provides that the line operators will pay the operating expenses of the terminal company incident to all freight secured for points on the routes of the motor lines, and a terminal fee to cover the handling of freight and the keeping of proper records.

"If the terminal company secures orders for transportation services in connection with shipments to any point in the territory served by the motor lines which the carriers cannot and do not wish to transport, the terminal company reserves the right to furnish the equipment, to handle the freight and to transport the shipments in its own right and for its own benefit and profit."

Shippers Seek Economy

Unquestionably the national distributors of the country, in their effort to reduce the costs of getting their goods to retailers and consumers, are coming to a realization of the economy of routing by motor freight on relatively short hauls. Motor freight line operators know that, and they are providing the service essential to getting the accounts—and are supplementing the service by providing storage space.

It is time warehousing as an industry took stock!

It must provide this same economical motor freight service in conjunction with its storage space—or lose further accounts to the independent motor freight interests which are already doing just that thing!

Ohio W. A. Holds Summer Meeting

Delegates who attended the midsummer meeting of the Ohio Warehousemen's Association at Cedar Point on Aug. 10 and 11 were addressed by a number of out-of-town storage executives on subjects pertinent to the industry.

Free time storage in competition with the rates of established warehouses was discussed by R. W. Dietrich, New Orleans, chairman of the traffic and transportation committee of the merchandise division of the American Warehousemen's Association, this competition coming particularly from the Federal barge line system. A. H. Greeley, Cleveland, warned of the danger of the development of this movement.

James F. Keenan, Pittsburgh, president of the National Furniture Warehousemen's Association, spoke on railroad competition in the long distance removal of household goods by motor truck.

The operations of the Allied Van Lines, Inc., were explained by Martin H. Kennelly, Chicago, president of the A. V. L.

Charles S. Morris, New York, talked on "The Price of a Great Asset," the paper which he read at the N. F. W. A. convention at Mackinac Island, Mich., the previous month, and which was published in the August issue of *Distribution and Warehousing*.

The Ohio association's president, William R. Kissick, Cleveland, was in the chair. About thirty storage executives attended.

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Number 54

What Will Be the Changes When the Mississippi Is Developed Into a "Second Panama Canal"?

By H. A. Haring

WITHIN less than two months' time formal ceremonies will open fifty-two locks on the Ohio River. This day will be the beginning of "the improved Ohio River"—an occasion so important to the traffic world that President Hoover has promised to attend in person.

The whole project of inland waterways is little understood in the East, where the ocean already affords deep anchorage for ships and where rivers and estuaries permit water transportation to cities which lie inland two and three hundred miles. But the central part of this country, from Pittsburgh to the Rockies, has always had a dream of cheap transportation for its freight over the many streams flowing into the Mississippi, and, through that Father of Waters, to the Gulf.

The West has wanted to turn the course of those rivers upside down make them flow north rather than south. Since the completion of the Panama Canal efforts have never ceased to make of the Mississippi a "second canal." Today these hopes, and dreams, are approaching a realization, and another ten years promises to see them a fact. The coming of a Westerner and an engineer into the White House has hastened the development, as for some years President Hoover has been urging inland waterways as the prime necessity of the future economic life of this country. He has called it "the greatest engineering undertaking of our history."

During July Secretary of War Good told a Chicago audience of the rapid progress of work to open up "Lakes-to-Gulf" shipping, while under a recent act of Congress (the Dennison bill) surveys are now being made over the "Hennepin canal route" from the Illinois River to the Mississippi so that water traffic may move from Chicago to the Twin Cities. There is no doubt that the Government is committed to a demonstration of the economy of inland waterways, the prime objective of which is to build a second canal in the valley of the Mississippi.

Shippers are, therefore, interested in the question: "What changes will come into our transportation?"

THE greatest demand for traffic managers at the present time is for those who know water transportation. The transit companies on the Great Lakes and all the tow and barge lines of the country are unable to hold their men for the reason that industrial concerns pick off every promising fellow as soon as he has mastered the rudiments of water transportation.

In this manner, so runs a report that comes to hand, "eighteen Pittsburgh manufacturers have added river men as assistant traffic managers since the first of January"; one Buffalo boat line "has lost six men since navigation opened in April, every one of whom is now with some traffic department"; "river traffic is so different from rail that the old-style traffic manager is lost with it."

The practical solution of the difficulty is, accordingly, to add to the staff a man who knows the problems of river barge shipping—waybilling, claim work, stevedoring, stowing risks, costs of transshipment and how to adjust them, rail-and-water through rates, "sailing" schedules and time in transit, space contracting, and cargo insuring.

When one of the steel companies (Jones & Laughlin, Pittsburgh) invests close to $50,000,000 in river equipment to move steel from its mills to New Orleans and Memphis, and when the automobile makers of Detroit are putting out inquiries for barges to transport knockdown cars from Michigan to their assembly plants, the time surely has come for shippers, and warehousemen to acquaint themselves with what will happen to our transportation when the Mississippi does, in effect, begin to "flow" north.

What Is Happening

THE great difficulty with inland transportation is the unruly character of the rivers. From Maine to Jacksonville the rivers of the eastern seacoast follow precipitous courses, or, like the Hudson and the Delaware, are really arms of the sea, so that navigation is always open and is seldom threatened by shallow bottom or flood water.

But with the waters of the Mississippi Valley three obstacles are ever present.

First, the width of the rivers varies greatly from place to place. In the stretch from St. Louis to Cairo the Mississippi varies from 650 to 4900 feet wide; from Cairo to New Orleans, from 1000 to 7500 feet. Nothing of the sort is known with the Connecticut or the Hudson or the James or the Delaware.

Second, the destructiveness of floods is hardly paralleled anywhere else. The vast extent of territory from which the central valley rivers draw their water supply gives, in time of heavy rains, an enormous discharge of water into the main channels of the streams. At other times of the year the sudden melting of the accumulated snows of winter produces annual floods which are well-nigh uncontrollable.

Third, the character of the river beds is unfavorable to navigation. The rivers have unstable beds, caving banks and

A. W. A. Spokesman Protests Against Government Barge Line Competition

AS chairman of the American Warehousemen's Association's merchandise division committee on traffic and transportation, R. W. Dietrich, president of Dietrich & Wiltz, Inc., merchandise warehousemen in New Orleans, has made public a letter addressed to Representative James O'Connor in protest against Federal barge line competition of the kind mentioned in this article by Mr. Haring.

Alluding particularly to the Government's plan to put up a warehouse at St. Louis for free storage of shipments in transit by barge on the Mississippi River, Mr. Dietrich said in part:

"Warehousemen have no complaint to make when the barge line erects terminal facilities necessary for ordinary transportation needs of the line, although every pound of freight the barge line is now handling means that much diverted away from the railroads whose facilities are ample to take care of the entire movement. But there is no necessity for a large outlay of public funds for the erection of facilities that will certainly be used in competition with private business as represented by the railroads, and which we have reasons to fear will be used in competition with private business as represented by the public warehousing industry if the barge line officials are allowed to give free or reduced storage in such facilities. Congress did not create the Federal barge line to take business from the railroads, but to supplement and not supplant them.

"It is apparent that it is the policy of the War Department, which controls the barge line, to duplicate existing investments of common carriers so as to offer free storage in return for the routing of freight over the line. This will constitute the rankest kind of injustice to the public warehousing facilities already in existence owned and operated by private business, which were built for the orderly receipt and distribution of the commerce of the Mississippi Valley.

"Private business as represented by commercial warehouses at river ports cannot hope to survive in the face of such destructive competition by the Government, backed by unlimited Government money. The taxpayers will pay the inevitable losses incurred through such unnecessary methods of developing waterways transportation. No one will pay the losses of the private investors in the warehouse industry.

"Here we have an industry representing hundreds of millions of dollars and functioning perfectly, threatened with severe losses by the efforts and plans of Government officials in charge of a Government waterway transportation system. Twenty per cent difference under rail freight rates apparently is not sufficient to get the desired volume, so the Government calmly invades the province of the warehouse industry and offers six and nine months' free storage, with free handling, to get increased volume. And still we call this a Government of democratic principles, with equal opportunities and equal protection for all."

Mr. Dietrich would "have the barge line make a charge for its storage that will give a profit gaged by commercial standards and make such rules as will protect our industry against the abuse of barge line facilities."

(Now turn to page 15)

shifting bottoms. Here, again, is a condition unknown in the East, where all river beds are rock-bound both on the bottom and on the two sides.

No river "in the world, under improvement for purposes of navigation, equals the Mississippi in the magnitude of its bed disturbances," declares a special board of the Army's engineers. In aggravated cases, within the past twenty years, erosion has been known to cut the bank away for 500 feet in three months; at another place, 800 feet in a single year; at a third place, one and a half miles in sixteen years. In one short section of that river the water in twenty years removed six times the total excavations of the Panama Canal. Shifting bottoms, also, make trouble for navigation. Sand bars have been observed and measured by the Army engineers which have a height as great as 22 feet and which "daily travel downstream as far as 40 feet and have been found in depths of water as great as 90 feet."

These facts give some indication of the enormity of the task of deepening and maintaining channels in our inland rivers.

Yet science and engineering—plus millions of money from Congress—have triumphed. The unruly Mississippi Valley is shortly to be under the control of man, available for the shipment of your freight and mine.

Up-stream for 35 Miles

ONE important link in the Lakes-to-Gulf waterway is the sanitary and ship canal, built by the city of Chicago, from Lake Michigan to Lockport on the Des Plaines River, which in turn empties into the Illinois River and thence into the Mississippi. The name "sanitary and ship canal" is a prosaic name for one of the engineering marvels of our day. The river, 21 feet deep and 160 feet wide, has been made to flow up-hill, contrary to its original course, for 35 miles. It diverts Chicago's sewage from Lake Michigan and prevents pollution of the city's water supply.

Within the city of Chicago the enlarged river has provided dockage of untold value for lake vessels. The next plan is to connect it with the Mississippi so that barges from the South may also deliver cargo directly to Chicago industries. To this end the 65 miles from Lockport to the open water of the Illinois River is being dredged at some places, and at five others are being built locks, each of which is half the size of those at Panama. Once completed, the Lakes-to-Gulf route will be a reality, and the present rail service from Chicago to connect with river shipping no longer will be required. Probably two years will elapse before the construction is completed.

Such is the story up and down the Mississippi Valley: dredging the shallow spots; dams and locks for the rapid water. Everywhere the purpose is one: to make a slow-moving, navigable stream out of an unruly torrent. Not all the streams will be made to run up-hill, nor will the mighty river itself literally flow north, but the battle of barges against the current and the floods of high water is to be so minimized that no greater change would be achieved by making the waters run north.

Rail-and-Water Rates

LATE in April the Interstate Commerce Commission ordered all railroads which have natural connections with the Mississippi barge lines to establish through routes, and through rates with the barge lines, before the first of September. The order covers connecting lines of these primary carriers. The Government-owned barge line already has joint rail-and-water through-rate agreements with 165 railroads, covering the entire region from Buffalo to Denver and from the Twin Cities to the Gulf.

Rates average 15-25 per cent less than the all-rail rates. Often they are as much as 40 per cent lower. They are always less by some margin, even after deduction of the cost of transshipment from rail to barge, or barge to rail.

Less-than-carload shipments go down the Mississippi twice a week, on regular schedule. Two sailings each week also

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move north to the Twin Cities via Dubuque. For bulky freight, the Government barge line operates tows of any tonnage up to about 10,000 tons once a week, and oftener if the traffic demands it. Hundreds of barges are, in addition, privately operated in all directions and from all points.

For less-than-carload shipments the railroads operate merchandise cars from Chicago to Dubuque to connect with the river movement. Any city located on a railroad which crosses at Dubuque may thus ship, twice a week, less-than-carload merchandise, either down the river to New Orleans and intermediate points or up the river to the Twin Cities and intermediate points. The published reports indicate that about 70 cities (from Indianapolis and Chicago westward to the Mississippi) benefited, during 1928, from the joint rail-and-water less-than-carload merchandise car service, such as just described, either via Dubuque or via East St. Louis and Cairo.

Such cities as Dubuque and Davenport, at river crossings, see great prosperity ahead. When Congress provided for 60 more barges in 1928 these cities rejoiced. When provision was made for another 40, early in 1929, their delight was beyond bounds. Local papers were filled with references to shipments, via the local transfer, to foreign lands all over the world, connecting with the whole Mississippi Valley.

Such a city as Peoria, too, visions a new future. From that city a goodly dozen of the railroads radiate eastward, none of which touches the Mississippi for two or three hundred miles beyond. Peoria, with its fine location on the new Illinois River channel, furnishes a rail-and-water point of interchange for all points, both up the river to Minnesota and down the river to St. Louis and the South. No other city on the projected inland waterways route, other than St. Louis itself, offers such a wealth of connecting rails. Peoria, therefore, foresees itself as the most important junction of the river's barge service and the rail movement to the East and the North.

Not to be outdone, Chicago and New Orleans, at the two terminals of the Lakes-to-Gulf route, are planning for rail and water interchange.

Chicago has acquired an acreage, on one of the terminal junction railroads, which it is intended to develop for trap-car service from the barge docks to all the railroad terminals in the greater city.

New Orleans plans not only for interchange with the railroads, but has glowing anticipations of interchange and transshipment via the "intracoastal canal"—now nearing completion—which will give an "inside" water route to Pensacola on the east and to Galveston, Houston and Brownsville on the west.

To the New Orleans business man, showing the city to a visitor, the impressive thing is always the foreign flags to be seen along the wharves and the public docks, but to the Northerner it is far more significant to read names of ownership and "home port" of the sluggish barges alongside the docks. The bulk tonnage of sugar coming in and of cotton going out moves, as always it has, by ocean carrier, but the new business of the port of New Orleans is that brought on the barge lines. One barge of steel, unloading from Pittsburgh, is the equivalent of 25-35 railroad cars. It means far more to the future of New Orleans, as a port, than 1000 tons of cotton passing through the State's warehouses.

Little wonder, then, that a scorce of cities along the Mississippi and its principal tributaries dream of becoming rivals of Cincinnati and Louisville before the census of 1940 falls due!

Enthusiasm is not lacking in the Twin Cities. The great flour-milling industry, as is well known, has suffered from competition, particularly from Buffalo, with its favoring freight rates. The one club of the Minneapolis millers, with the railroads, has always been the rail-and-water rate—a great aid for export and a considerable aid for domestic rates. At times the mills have been threatened with rate increases on the basis that former rates were based on water competition down the river—which competition no longer exists—but, with the newly-operated barge lines to the Twin Cities, it now becomes possible for the millers to revive their river shipments and bring water competition once more into actuality. There is much talk in Minneapolis of bringing in Canadian wheat from the western Provinces, mill it at Minneapolis, and reship via rail-and-water in competition with the favoring rates now accorded Buffalo millers.

Automobile Manufacturers

DETROIT, with its automobile-making, has shown nearly as much interest in the barge lines as the wheat-growing Prairie States. The political agitation, and the pressure on Congress, has come from the wheat and lumber interests. Manufacturers, who will benefit fully as much as the farmers, have been more quiet in their vociferation.

Two years of operation of New York-to-Detroit barge lines have, however, taught the automobile makers what is possible with slow-moving water transportation. In lots of 500 tons they are moving crated automobiles, designed for export, from Detroit to foreign steamships in New York Harbor at a cost of approximately one-third the all-rail rates. By cooperation with such concerns as the sugar refineries, the canneries, the oil refiners, the paper mills of northern New Jersey, the foreign makers of fertilizers, and similar large-tonnage controls, these barge lines are obtaining return loads to Detroit (or for Cleveland, Toledo, etc., en route to Detroit). The return lading cuts the cost of operating the self-propelled barges, to the end that the net cost of moving automobiles to New York benefits.

Furthermore, similar barges are moving Chevrolet semi-manufactured cars from Detroit to Tarrytown and Bloomfield (N. J.) to the company's assembly plants. The newly-located Ford assembly plant on the Hudson just opposite New York City—displacing the former plant inland in New Jersey—was largely influenced by the possibility of shipping unassembled cars from Detroit to the plant by barge during eight months of the year—with the four months of "frozen streams" coinciding with the four months of slack production!

New assembly plants of all the automobile-makers, throughout the West and Southwest, have been located with reference to water transportation. The managements have been far-seeing enough to know that, in another five or ten years, a new mode of handling knock-downs from Detroit will be available, that possibility lying in the inland waterways. When Chicago can offer a Lakes-to-Gulf route, the shipments via water-and-rail routes from Detroit to Milwaukee (and similar Lake Michigan ports) will be extended all the way down the Mississippi Valley to New Orleans. Possibly they will go beyond that port.

Some Considerations Against

ON the map it would appear that the Mississippi River and its tributaries ought to be an important highway from the Gulf to the agricultural regions of the interior. Theoretically the wheat and the cattle of the West and the coal and the steel of the East ought to go over the river to the sea. Yet they never have, despite an expenditure of probably a billion dollars to open up the waterways. Nor will all of them, even when the fondest hopes of the President and the projectors come to a reality.

Several reasons stand against universal use:

1. The river ought to run east and west for most value to commerce, because our maximum tonnages move in that direction.

2. Inland water transportation is always slow, whether by river or canal. The average speed which can be made on canal or river is about one-fifth what can be attained on the Great Lakes or the Hudson. Navigation on these inland waterways is impossible at night, owing to the dangers of the stream beds. Possibly 75-85 miles per day is the maximum which can be expected—a rate which means 45 days for the return trip

DISTRIBUTION Its Economic Relation to Public Warehousing

from Chicago to the Gulf over the projected route.

This slowness is contrary to American business demands. The railroads will, therefore, always be preferred for ordinary commerce. The more recent development of automobile trucking has still further lessened the real demand for water transportation of the sort we have described.

3. An important, but often overlooked, reason against inland waterways is the cost of transshipment. This expense of transfer, after the delays of slow movement by water, often over-balances the lower cost of transportation.

The Cost of Transshipment

SUPPOSE a farmer in the West wishes to ship wheat east by the inland route. He hauls it to the railroad by truck or wagon. Here it is transferred to a grain elevator and then shot into a freight car. The car may then be waybilled directly to any city in the East. The freight rate is high, but there are only two transshipments between farmer and eastern receiver.

If, however, this wheat were to go via the inland waterways it would not only be much longer on the road, and hence more likely to spoil from "heating" than if sent by rail, but it would require three, possibly six, additional transshipments.

First, after a journey from local station by rail to the river landing, it must be transferred to the barge. If no boat is on hand when the railroad car arrives, the wheat goes into a grain elevator in order to escape car service charges. Later it is run out into the barge. Arriving at New Orleans, the grain must be transferred to an ocean-going ship—either directly from the barge, or, if no ship is available for immediate loading, the wheat goes through a port elevator. Then, arriving at New York or Boston, it must go from ship to elevator, and, later, from the elevator to a railroad car, for final movement to destination.

These frequent transshipments, the length of time for the water journey, the relatively poor and infrequent service of river boats, thus prevent the people, despite all the economies of theory, from acquiring the habit of using the great Mississippi water route.

It remains for most use to come from manufacturers who can afford to plan ahead, and who control facilities so as to cut down the excessive costs of transshipment and delay.

To transfer an average carload of merchandise from one line of transportation to another probably costs from $4 to $6, under most favorable circumstances, and where a contract exists. When breakage and delay are added, the loss probably averages an equal sum. The total of these two costs would transport the freight hundreds of miles.

To transfer the same freight to a truck, drive to a wharf, transfer to a lighter, take the lighter out to an anchored steamship, and there to stow the boxes into the hold, may cost as much as to carry the boxes 2000 miles after they are stowed away. Hence there is a strong reason to avoid lighterage, and similar port handlings, even at the expense of traveling several hundred miles to a deep harbor.

There is, for the same reason, a tendency to use that kind of land transportation which will pick up the goods at the point of origin and carry them to the point of use, without change of conveyance. So strong is this tendency that, before the Panama Canal was opened, many ships found it cheaper to go 6000 additional miles around Cape Horn rather than to transfer their freight to the Panama Railroad and then to ships for the second leg of the journey.

In its ability to carry goods without transshipment the railroad has an immense advantage over inland waterways. The automobile truck has even a more enormous advantage over the railroad.

The cost of shipment by rail is about ten times as much as by water, without transshipment costs. To ship by motor truck may be ten times the cost by rail, again without allowance for handling. It is several times as much by horse as by truck. Yet the more costly transportation repeatedly is the cheaper in the end—cheaper because the delays and costs of transshipment and rehandling exceed the savings of the less costly transportation itself. The problem of business becomes, therefore, to learn how much each stransshipment costs, including breakages and delays; how many transshipments are necessary for each mode of conveyance; and, finally, how their cost plus the cost of transportation itself compares via various routes.

This is the problem confronting each concern which uses the inland waterways. It is, furthermore, the reason why manufacturers are employing as assistant traffic managers men who understand the intricacies of barge transportation. The difficulties are so unlike those of shipping by rail that the ordinary traffic manager, with his background of railroad service, is lost.

In the city of New York, as one familiar example, the great problem of transshipment arises because the heart of business is not on the waterfront. It lies inland on Manhattan Island. This has much to do with the fact that more than 10,000 harbor craft (tugs, barges, lighters, ferryboats) are employed in the harbor. No one knows how many trucks supplement these on the land end of transshipment.

Standing on the new docks at Burlington, Iowa, a railroad's general freight agent commented:

"Water moves freight for a fourth the cost of a railroad. I envy them that part of it. But we have them licked when it comes to handling in and out. We place the freight car at the loading sill of the factory and we deliver it at the other fellow's receiving door. If there's anything over or short, it's his worry. He loads and counts. But with this river shipping—it's a headache to see the chances for shortages."

Absorption of Charges

IN order to place their lines on a parity in the competition for traffic, the water carriers take these charges off the shoulders of the shipper. They "absorb" them, much as railroads do with switching charges and other terminal costs.

Through rates, for rail-and-water movement, include transfer charges from one line to another, as a matter of course. It does not concern the shipper how the costs are prorated between the barge and the railroad. In any event, they are a part of the through-rate.

The principal manner of absorbing the other costs of transshipment is by allowances for warehousing at the points where rail and barge meet. If the railroad delivers the goods before cargo space is available, someone must care for the shipment; and, in reverse direction, if the barge delivers more than the railroad can move at one time, someone must store and protect the balance.

There is also the privilege of the shipper to reconsign the goods at this junction of water and rail, the right to store-in-transit without jeopardizing the through-rate, even to mill-in-transit or fabricate-in-transit.

Like navigation on the Great Lakes, too, the inland waterways must contemplate a closed season of three to five months, varying with sections of the country. They appreciate that shippers will take advantage of the water route during the open season to accumulate freight, which is to be distributed by rail during the period of closed navigation. Storage thereupon becomes necessary, with the incidental handling in and out of store.

Custom on the Great Lakes allows an extended period of free storage for general merchandise, either bulk or package, at such points as Buffalo, Duluth, Cleveland, etc. The steamship companies maintain warehouses for this purpose.

The storage rates at Buffalo, as one example, provide for free storage for 20 days at all times of the year, with a charge of ½c. per 100 lbs. for each 10 days thereafter. But "for the period from Dec. 1 to March 31, inclusive, the rate for storage after the initial period of 20 days will be one cent per 100 lbs. for each 30 days or fraction thereof." This makes the rate, after close of navigation, only

two-third of what it is during the summer months.

For bulk cargo (coal, grain, lumber, ore, etc.), at the close of the season, cargo space is leased for storage at completion of the final trip. Under this arrangement, as an illustration, a cargo of wheat arriving at Buffalo just before close of navigation is not unloaded. It is allowed to remain aboard the vessel, after the port freezes up, to be discharged during the winter at will of the owner. In this case the vessel becomes a pure warehouse, its cargo space constituting an addition to the elevators of the port.

Similarly, with such commodities as sugar, it has long been the custom of the navigation companies on the Great Lakes to transport the commodity during open navigation and then to store it for little or nothing at the Lake port, for distribution during closed months. Competition has compelled public warehouses to "meet the rate" by allowing similar free periods, or, what amounts to the same thing, quoting a rate that meets the situation.

Other commodities enjoy similar "privileges," and it has always been a difficulty of the Great Lakes region that transportation companies, warehouses, brokers, and even wholesalers, make some sort of allowance to cover "absorption charges" to the end that the year-round cost shall equal the summer's lowest combination of rail-and-water through-rates.

The same situation has developed on the barge lines of inland waterways. At the present time the barge companies offer to absorb many of these costs of handling and warehousing, occasionally even the transfer between carriers, in order to attract business. A familiar device—and one appearing in their published tariffs—is that of allowing 60-days' free storage in the transit sheds of the barge line.

This allowance is not made for all commodities, nor for general merchandise. It is, however, rather generally allowed for sugar and other bulk commodities of that nature. Sugar quickly becomes a target for the practice, as it does for all charges in transportation and in handling.

With the railroads, storage-in-transit is allowed, but always with the condition that the shipper provides the storage place and pays all the costs both for storing and for handling in and out.

The Federal barge lines, however, have injected a bit of unfairness in their practices. For example, these lines, in their tariffs, allow free handling in and out of store, together with nine months' free storage (occasionally only six) at Minneapolis, and two months' free storage at such points as Memphis, St. Louis, Birmingham and Holt (Ala.).

This free storing and handling often represents a value of easily half the freight rate on the barges and is an allowance in addition to a differential of 20 per cent under the all-rail rates.

Little wonder is it that traffic departments are searching for men who know how to benefit from these privileges, and that public warehousemen are suffering loss of volume!

Furthermore, at some points on the River the Federal lines surround their storage-in-transit with one provision that works a hardship to public warehousemen.

At Memphis, as one illustration, the privilege of storing-in-transit applies only to goods warehoused with the barge line's warehouses. This means that if a shipper keeps his goods in the Federal barge line's warehouse, he gets free storage, free handling, free switching, and protection of the through rate to final destination, but if the same goods are stored with outside public warehouses, for final movement beyond, none of these charges is absorbed by the barge line and the through rate is not protected.

Such injustices as these would not be permitted for the railroads but, by some strange quirk of Congressional permission, they exist with the Federal barges.

In this manner the barge lines give away much of their earnings from transportation.

For example, the barge line freight rate from New Orleans to Memphis is 31 cents per 100 pounds. The average public warehouse charge for storing four months would be approximately 10 cents, plus 4 cents for handling, or a total of 14 cents per 100 pounds.

The barge line tariff offers to store and handle for four months for 2 cents! This means that the barge line gives away 12 cents per 100 pounds, out of a freight rate of 31 cents.

The Government-owned barge lines publish their tariffs. Under recent rulings they are issuing joint tariffs with the railroads for rail-and-water routings, and, as such, they are obliged to file and publish all special allowances, absorptions of charges, and the like. There are, however, privately-operated barge lines on all these inland waterways, many of them of precarious nature (financially speaking), whose custom it is to grant all sorts of "special allowances" to attract business. Shrewd traffic managers by their bargaining have greatly encouraged this conduct. With these concerns, absorption of handling charges due to transshipment is common.

So long as they are unregulated by the Interstate Commerce Commission the practice will continue; but, with the certainty of ultimate regulation, their "absorption" will, at least, be the same to all. Their rates will become standardized, under the requirement to file and publish.

Secretary Good and General Ashburn State Position, in Interviews with Washington Correspondent of *Distribution and Warehousing*

By RUSSELL SMITH

DISTRIBUTION AND WAREHOUSING'S
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WASHINGTON, D. C., Aug. 20.—Prospective lessening of barge line and municipal competition with private warehousing interests was indicated here this week when General T. Q. Ashburn, chairman of the Inland Waterways Corporation, stated to *Distribution and Warehousing* that the corporation does not contemplate the loaning of further money for municipal terminal developments.

"The corporation has no intention of loaning more money for any purpose," said General Ashburn in the course of an interview the day he returned from his vacation. "That's a definite enough answer, isn't it?"

The Inland Waterways head, however, does not feel that there has been any Government competition with private interests in warehousing. He based his statement on his contention that only storage-in-transit privileges are provided, and then only where privately-owned facilities are, in his opinion, not available or are insufficient.

This view was echoed by Secretary of War James Good at his most recent press conference. In reply to a query from *Distribution and Warehousing*, he said:

"The corporation is not competing with private business. We have constructed no facilities whatever where there existed privately-owned facilities which were adequate. The Act itself creating the corporation not only allows but implicitly directs the provision of adequate transfer facilities.

"Our great trouble is in fighting off the municipalities who want us to lend them money to build more terminals, which would be competitive with private business. The corporation itself has no intention whatever of infringing upon private rights of any business."

It was learned that Secretary Good conferred this week with Memphis, Tenn., leaders who desire the aid of the corporation in the construction of sheds for transit storage and handling of cotton in shipment there. Secretary Good and General Ashburn have this situation under consideration, but in view of the latter's positive statement it is hard to see how the Memphis pleas can meet with success.

(Concluded on next page)

It was admitted at the corporation's office, however, that press reports were correct in stating that $15,000 was being spent in doubling the Government warehouse at Holt, Ala., and that expenditure of $125,000 for construction for the Inland Waterways Corporation of a grain transfer elevator at Helena, Ark., was contemplated. The latter funds would be loaned to E. C. Horner and Edwin Bevins of that city. The contract has not been let for this project, however, and General Ashburn stated positively that it would not be let.

The tenor of General Ashburn's remarks during the interview indicated strongly that protests of American warehousemen, through R. W. Dietrich of New Orleans, chairman of the committee on traffic and transportation of the American Warehousemen's Association's merchandise division, and others, have had a strong effect on those in authority.

Secretary Good stated he had received protests based on such charges, and General Ashburn's attitude indicated such protests had been passed on to him.

General Ashburn stressed the Interstate Commerce Commission decision of July, 1928, when Commissioner McManamy said:

"The barge line provides in its local tariffs that sugar, in carloads, when originating at New Orleans and points in the New Orleans district, may be stored in transit at the interior ports on its line herein above indicated, and at certain of these ports when originating at Mobile or at Gramercy and Reserve, La. The tariffs authorize protection of the through barge-and-rail rates by way of such ports, in effect on the original date of shipment, provided the sugar is reshipped within twelve months after the date on which it is received at the storage point.

"Arrangements for the storage of sugar were established at Memphis in 1921 and at Tuscaloosa in 1922. The L. & N. and the Southern from time to time expressed opposition to the continuance of these arrangements in so far as they applied in connection with joint rates applicable over the lines of those carriers.

"Before the establishment of the storage arrangements at Birmingport in January, 1927, the barge line notified those carriers of its purpose in order to enable them to make protest. Upon the filing of the schedules providing for storage at Birmingport, protests were made, but we declined to suspend them. The barge line thereupon began construction of its facilities at Birmingport and at Holt, Ala. These facilities are valued at approximately $250,000, and it is said that they will be of little use except for the storage of sugar.

"Practically all storage under the transit arrangement here considered has taken place at Memphis. The storage facilities at that point are owned and operated by the city of Memphis. For storing sugar at Memphis a charge of 2 cents per 100 pounds per month is made by the municipality. Handling charges amount to about 2.5 cents per 100 pounds. The record does not disclose what charge, if any, has been made by the city of Tuscaloosa.

"The witness for the barge line stated that it had not been determined what storage charge would be established for the use of its facilities at Holt and Birmingport. The warehouse used at Tuscaloosa is owned by that city, but facilities at that point have been inadequate. No sugar has been handled through Birmingport because of the absence of storage facilities at that point. At the time of the hearing in February, 1928, the barge line had nearly completed construction of a warehouse at Birmingport, and also one at Holt, Ala., five miles north of Tuscaloosa."

In this case, wherein the Southern and Louisville & Nashville Railroads had asked abandonment of joint water-rail rates, the roads contended that "the storage arrangement nullifies and overcomes such disadvantage in time, removes any necessity for a differential rate basis of rates, and the slower service of the barge line is a positive advantage to the shipper in that by the existing transit arrangement free storage is accorded during the period of the water transportation."

It was contended also that the barge line received an advantage over the railroads by having quantities of sugar a short distance from consuming points.

According to the I. C. C. report, the barge line's contentions were as follows:

"The barge line points out that in several ways the storage arrangement is peculiarly adapted to a barge-rail movement. It is said that while sugar accorded transit when handled all rail may entail local train service, extra *per diem*, and switching charges, storage in transit at the barge line's interior ports entails no extra transportation service, inasmuch as the freight must necessarily break bulk at those points.

"The barge line offers an additional outlet for the refineries which have only limited storage space and must ship the sugar as soon as refined. During the twelve or fifteen days en route to the storage point the shipper has the privilege of reconsigning individual carloads and can place in storage such portions of the tonnage as remain undisposed of at time of arrival. Representatives of wholesale and retail grocers testified in favor of the storage arrangement. They state that it is the practice to pass on to the consumer the saving in freight charges effected by the use of the barge-rail routes."

The Commission itself, in the decision written by Commissioner McManamy, merely stated that on due consideration it denied the plea of the railroads, and felt that the barge-rail rates should be continued. Commissioner Brainard, concurring with the report, elaborated, however, as follows:

"The barge line now has at Memphis, and soon will have at Birmingport, transit facilities which will enable it, in connection with the respondent rail carriers, to transport sugar from New Orleans and Mobile to inland points in the South under conditions which are substantially equal, in point of time, and superior, in point of service, to those offered by the all-rail lines of these same rail carriers, and the rates via barge and rail are 7 to 7.5 cents less than the all-rail rates.

"The mere statement of such a situation suggests its injustice and justifies relief."

While the foregoing is mainly concerned with the rates in question, it becomes obvious that the Interstate Commerce Commission has taken for granted, as in the public convenience and necessity, the construction by the barge line of facilities and the loaning of money for the construction of others.

This tacit admission is further strengthened in a more recent case. This is the April, 1929, decision of the Commission issuing the Inland Waterways Corporation a certificate of public convenience and necessity, and requiring through routes and joint rates between carriers and the barge line. In the application of the corporation in this case, one of its chief points is that terminal facilities exist at each of its ports of call.

General Ashburn this week commented that the Commission in the 1928 decision has pointed out that, under mandate from Congress, the corporation at its discretion must see to it that proper transfer and terminal facilities are provided, if possible.

He pointed out also that it was not the intent of the barge line to compete with private interests but merely to provide adequate transfer facilities. Where possible, he said, private facilities were being used. Furthermore, the only intent of the corporation had been to provide transfer, and not storage, facilities, he added.

The chairman then detailed the operations of the corporation in this respect. The city of Memphis was loaned $405,000 in 1921, subject to the raising of a like amount by the city, for such facilities. In 1921, $400,000 was loaned New Orleans, and in the same year $20,000 was loaned Vicksburg. The $60,000 loan to Helena followed in 1926. Since that time the only such expenditure has been the insignificant item of $11,683 additional to New Orleans.

Meanwhile the terminals at Holt and Birmingport have been completed by the corporation itself.

General Ashburn stated that no storage-in-transit facilities were available within a radius of twenty-five miles or nearer than Birmingham, so far as Birmingport was concerned. As for Holt, he stated it was five miles above the nearest warehouse—that at Tuscaloosa—and that this privately owned warehouse had not proved ample for the barge line needs.

Ohio Association Protests

The Ohio Warehousemen's Association at its summer meeting at Cedar Point on Aug. 10 authorized the sending of a strong resolution, addressed to President Hoover and to the State's Senators and Representatives at Washington, condemning barge line free storage.

Some telephone tags used by various storage and transfer companies

The 'Phone in One Hand—The Number in the Other

By WILLIS PARKER

THE ideal condition, as far as the transfer and storage man and the business he obtains via the telephone are concerned, would be that his telephone number is firmly fastened in the mind of every potential user of his service so that none would have to consult the telephone directory to find it—or the number of some other transfer company.

As such a condition is out of the question in a town of any size, the second best thing seems to be to present the telephone number in such a manner that the prospective customer has it in his hand before he consults the directory.

We have found several instances wherein transfer and storage men have been able to present their telephone numbers in such a manner. It is merely by attaching, to a little cord by which the telephone book is suspended from a hook or nail, a small tag, of shipping-tag strength and weight, and printing upon it an advertising message bearing the firm name, the nature of the service and the telephone number.

The City Service Co., of El Paso, Tex., uses a circular tag, three inches in diameter, of yellow stock. The printing, in black, is not from regular type but is from a cut especially prepared by a commercial artist. The service—"Moving and Baggage Transfer" are in heavy black letters around the upper arc of the card. In the center is a line-drawing of one of the company's large vans. The phone number is produced on the side of the van. Likewise is the firm name, in very small letters, and the slogan, "Moving Made Easy." The firm operates a taxi service, too, so that the reverse side of the card deals with the taxi service.

The Citizens Transfer & Storage Co., Inc., Tucson, Ariz., uses an oblong tag, 2¼ by 3¼ inches with, rounded corners. The printing is red on white stock and the phone number is presented in white type on a red diamond in the center. The firm name is in small type across the bottom of the tag. Apparently the firm is playing up the storage angle of the business, because the tag contains across the top and in large letters the one word "STORAGE." Both sides of the card are used for identical messages.

The Lightning Moving & Storage Co., Phoenix, Ariz., shares the tag with an ice company, thereby cutting the cost in half. The printing is blue on white stock, with the phone number in white on a panel of blue at the bottom of the tag. The firm name, the service etc., are printed in blue, superimposed over what are represented to be lightning flashes coming from a five-pointed star at the top. It is a round tag.

The Evergreen Transfer Co., Evergreen, Colo., uses an oblong tag of orange stock; the firm name, phone number and services are printed in black, from regular type.

Burgers Express, Boulder, Colo., also uses an orange stock, but the card is square, 2½ inches in dimensions. The printing is so placed that the card appears to be diamond shaped, and the eyelet through which the string is fastened is in one corner. Around the edges are night phones and some information relative to the location of the company's offices, the color of the trucks and "Prompt Service." The phone number is presented twice—top and bottom—and the reverse side of the card contains the same advertisement.

Another company, the Harnden Transfer Company, which, unfortunately we cannot identify as to the city, has a rather attractive advertisement. It is black on an oblong card of orange stock. "Moving" and "Storage" are prominently mentioned, and under this is a picture of a motor truck in motion. Three phone numbers are listed at the bottom of the card. The reverse side is devoted to an advertisement of the firm's coal business.

Some might question the efficiency of this form of advertising by advancing the supposition that the tags would prove bothersome to telephone subscribers and that they would tear them off and discard them. This is not the case as is evidenced by the fact that these advertisers have been using the tags for a number of years.

Two possible reasons for retaining the tags are advanced. One is that the cord is run through a brass eyelet which is securely fastened into the card. The other is that the tag forms a handle by which the directory may be removed from or replaced on its hook or nail.

Thus we may truthfully say that when a subscriber desires to call a transfer company in cities and towns where the transfer companies have such tags, he may take the phone in one hand and the telephone number in the other without consulting the interior of the book.

It is almost as good as if the customer had the number firmly fixed in his mind!

Bay State Association Aids A. W. A. Activity

The Massachusetts Warehousemen's Association at its July meeting, held at the Exchange Club in Boston on the 16th, voted to appropriate $250 for the use of the American Warehousemen's Association's ports and port terminals committee working in connection with I. C. C. docket No. 12681.

The Warehouseman's Liability for Loss or Damage to Goods

Twentieth of a Series of Legal Articles

By LEO T. PARKER,
Attorney-at-Law

CONSIDERABLE material has been written on the subject of when a warehouseman is liable for loss or damage to goods, but very little has been said about the law of circumstances which relieve a warehouseman from liability.

Therefore the substance of this article will be confined to explanations of those recent higher Court litigations from which warehousemen may obtain dependable information on how to conduct their business with a view to avoiding liability for loss or damage to goods stored or in transportation.

Warehouseman Not Insurer

A WAREHOUSEMAN never is liable as an insurer of stored goods unless he makes himself so by the terms of a contract with the owner. Nor is a warehouseman ordinarily liable for loss of or damage to the goods due to an act of God or of the public enemy, nor for losses due to inherent defects in the goods, or other causes not due to negligence on his part.

However, he is required to exercise ordinary care in the custody of the stored merchandise, by which is meant that degree of care which ordinarily prudent owners of similar businesses are accustomed to exercise in regard to stored goods under like circumstances.

Therefore it is well established that where stored goods are lost, stolen or damaged, the warehouseman is liable if he fails to prove that the damages resulted through *no* negligence on his part.

In other words, the owner, or holder of warehouse receipts, is legally required only to present such receipts, tender payment of the accumulated storage and other legal charges, and demand delivery of his property. If the warehouseman fails to make delivery the owner may file suit and recover the full value of the goods, unless the warehouseman introduces testimony proving conclusively that he exercised ordinary care to safeguard the property.

When Warehouseman Is Insurer

ON the other hand it is important to know that a warehouseman may automatically convert his liability under the "ordinary care" rule to that of an insurer. This unfortunate circumstance may exist as a result of the warehouseman disobeying positive instructions given by the owner as to where and how the goods shall be stored, or failure by the warehouseman upon justifiable demand to deliver the goods to the lawful owner.

For instance, in a very recent case (272 Pac. 181) a warehouseman was held liable for conversion and required to pay the full value of stored goods which were destroyed by fire without fault of the former. In this case the warehouse was destroyed by fire after the warehouseman had refused to make delivery on demand of the owner. This Court said:

"Where .... a company becomes liable therefor [goods] only as warehouseman, and afterward such goods are demanded by the owner . . . and afterward the goods are burned, *held,* that the failure to deliver the goods on demand of the owner is such negligence as will render the company liable for the value of the goods."

What Are Inherent Defects?

OCCASIONALLY circumstances may exist when a warehouseman, who does not exercise a legal degree of ordinary care is not liable for loss or injury to stored goods.

For example, suppose an owner authorizes a warehouseman to transport and store goods which have inherent defects not noticeable from ordinary observation. Although the warehouseman fails to exercise ordinary care to safeguard the property, if damage results solely from the inherent defects of the merchandise, and *not* because the warehouseman failed to exercise ordinary care, the owner never is entitled to a recovery.

Various Courts have held that inherent defects may be any hidden danger associated with the merchandise and not discoverable by the warehouseman by the application of ordinary care.

A box containing explosives, or goods having qualities which will not without damage permit their being transported in motor trucks or stored at ordinary temperatures in a warehouse, are examples of merchandise having inherent defects.

The same is true with any merchandise which may, without lack of care on the part of the warehouseman, sustain damage when transported or stored in a usual and customary manner.

In fact it is the legal duty of owners, who offer for storage goods having inherent or dangerous qualities, to notify the warehouseman of such defects. Otherwise, not only is the warehouseman relieved from liability for damage to the merchandise, but the owner is liable to the warehouseman for any damages resulting to the latter or his equipment.

In one case, where an owner delivered, with miscellaneous household goods, a crated electric battery which became short circuited, resulting in destruction of the goods and the warehouseman's motor truck, the owner not only was held *not* entitled to recover his loss and was required to pay the warehouseman damages for the burned vehicle.

On the other hand, if the warehouseman fails to exercise ordinary care to prevent loss of his warehouse or equipment resulting from negligent acts of the owner of the goods, neither the warehouseman nor the owner of the goods may recover damages from the other.

For instance, in *Mason v. Carter Co.,* 116 So. 378, it was disclosed that a match was struck in a warehouse by a customer, and the contents of the warehouse became ignited and were destroyed by fire.

The warehouseman contended that the person causing the fire was liable for the loss. However, the testimony disclosed that the match was lighted in the presence of the warehouseman, who failed to object to its being lighted. Therefore the Court held the warehouseman not entitled to damages, saying:

"As plaintiff [warehouseman] failed to take any steps to prevent the lighting of the match in a place so patently subject to fire hazard, he must be held guilty of such degree of negligence, imprudence, and want of care as to bar his right of recovery of damages in the present case."

Necessity of Night Watchman

GENERALLY speaking, a warehouseman is bound to employ a night watchman; otherwise he is *not* deemed to have exercised ordinary care to pre-

vent loss or damage to the stored goods.

On the other hand, it is important to know that if the size and capacity of the warehouse are so small that the revenue therefrom does not justify the expense of a watchman, the Courts hold that the warehouseman is not required to employ one.

For instance, in *Warehouse Co. v. Page*, 117 So. 834, it was shown that the owner of a small warehouse omitted no detail of protection to make the building safe from fire, except that he did not employ a night watchman because the income from the warehouse was not sufficient ordinarily to justify the expense.

One night the warehouse burned and the owner of goods destroyed in the fire sued the warehouseman. However, it is interesting to observe that the Court held the warehouseman not liable, saying:

"We do not think that . . . the fact that no night watchman was employed constitutes any degree of negligence on the part of the warehouse company. . . . We do not think the warehouse company in this case has failed to exercise that care in its warehouse which the owner would have exercised had the goods been in his possesion. . . .Common human experience teaches us that negligence may not be based on trifles, *but must be based upon those things which should arouse the attention of a reasonably prudent person in the care of his own goods.*"

Legal Effect of Signs

CONTRARY to the opinion of the majority of persons, the owner of a warehouse may not by an ordinary contract reduce his legal liability for loss or damage to goods where the loss results from his or his employee's negligence.

Also, posted signs, such as "Not responsible for loss or damage to stored goods," have little or no effect to reduce the common law liability.

For instance, in the recent leading case of *Langford v. Nevin*, 298 S. W. 536, it was disclosed that a proprietor displayed conspicuous signs "Not responsible for loss in case of fire or theft." At the time the owner brought his goods into the building these signs were called to his attention.

When the goods were lost the owner filed suit against the proprietor to recover damages. The latter attempted to avoid liability on the grounds that the owner had read the signs and had agreed to leave his merchandise under the conditions printed thereon.

However, the Court held the proprietor liable to the owner, and stated important law, as follows:

"The language of the posted signs in question here does not in express terms provide for the exemption of the bailee from the obligation to exercise ordinary care to prevent the theft. . . .In cases of bailment having the general aspects of this one, a contract provision, which purports to exempt the bailee from liability for loss due to particular causes other than the negligence of the bailee, does not in any respect exempt him from the implied obligation of ordinary care which his relation to the bailed property, as bailee for hire, imposes upon him."

Owner of Illegal Goods Not Entitled to Damages

GENERALLY speaking a warehouseman is not liable in damages for loss or damage to goods illegally stored by the owner.

For instance, in *Goncho v. Republic Storage Co.*, 157 N. E. 136, the owner of whiskey without a permit, stored it in a warehouse. Several barrels of the whiskey disappeared and the owner sued the warehouseman. However, it is interesting to observe that the Court held the latter not liable, and said:

"The National Prohibition Act deprived him [owner] of any property in it and forbade him to possess, transport, use or sell it. . . . He could not therefore lawfully have or possess the whiskey, for it had been used in violating the statute, and no property rights existed in it."

Next Month

THE right of Public Utilities Commissions to control operation of motor trucks will be discussed by Mr. Parker in the twenty-first of this series of legal articles—to appear in the October issue.

The coming text has been in preparation for some time but has been deferred pending final decisions in several higher Court cases involving important points of the law on this subject.

With interstate motor truck transport on the increase, and with new legislation constantly being enacted in the various States, the subject is of vital interest to the warehouse fraternity.

Essence of Ordinary Case

A REVIEW of the higher Court cases in which warehousemen have been held *not* liable for loss or injury to goods, disclose that the Courts consider a warehouseman ordinarily careful who (1) employs competent workmen; (2) maintains the warehouse clean and free from rubbish or other waste materials; (3) abides by the State and municipal laws; (4) keeps his warehouse in constant repair; (5) equips the warehouse with modern fire preventive water sprinkler systems and burglar alarms; (6) keeps the passage-ways clear; (7) and provides for efficient ventilation and heating.

Liability for Goods Represented by Receipts

GENERALLY speaking, a warehouseman is liable for the value of goods which, for any reason, are not received in the warehouse and for which he issues negotiable warehouse receipts which are purchased by an innocent party.

In other words, the law is established that a warehouseman who negligently, purposely, or unintentionally, while exercising due care, issues negotiable receipts, is responsible for financial loss sustained by innocent holders of the receipts.

Moreover, he is liable to innocent persons who hold negotiable receipts where the stored merchandise represented by the receipts is delivered without surrender of the receipt, and the holder subsequently negotiates the receipts.

Of course a warehouseman is not liable to the original holder of negotiable receipts, which are mistakenly issued for goods not received for storage, because this person is not an innocent holder.

For this same reason a warehouseman never is liable to the holder of non-negotiable receipts which are mistakenly issued. However, to avoid liability, the warehouseman must disapprove, beyond a reasonable doubt, a customer's contentions that non-negotiable receipts which he holds represent goods delivered for storage.

For example, in *Small v. Slater*, 257 Pac. 625, the owner delivered goods to a warehouseman for storage and received usual non-negotiable receipts. Later when the owner presented the receipts it was discovered that a quantity of the merchandise represented by the receipts was not in storage. The owner sued the warehouseman for the value of the goods. However, the warehouseman proved that the goods in controversy were never received for storage and that the receipts presented by the customer were duplicates. In view of this evidence the Court held the warehouseman not liable.

The same law is applicable where a warehouseman issues negotiable receipts and the holder, to whom the owner of the goods sells or negotiates the paper, authorizes the warehouseman *in writing* to deliver the merchandise to a designated person without presentation of the receipts. The holder cannot subsequently sue and recover the value of the goods from the warehouseman.

On the other hand, it is important to know that a warehouseman who delivers goods to a person upon *verbal* authorization by the holder of negotiable receipts may be liable for various reasons. (*Bank v. Ellis*, 258 Pac. 186).

Sometimes the holder of receipts complains that the goods delivered by the warehouse are not the quality or quantity represented by the receipts.

The law is well established that if the character of the merchandise or its containers is such that by ordinary care the warehouseman may have determined the incorrectness of the receipt, an *innocent* holder is entitled to recover his losses from the warehouseman.

However, the *original* holder of the receipt is barred from recovery under all circumstances, because he is not an innocent holder.

On the other hand, a warehouseman never is expected by the law to open the containers to examine the contents. Therefore, he may without chances of liability issue a receipt which specifies

the number of containers and the contents as stated by the person who stores the goods. Irrespective of the fact that the goods specified in the receipts are not packed in the containers, the warehouseman is not liable to either the original holder or an innocent holder of the receipts.

The latest case on this subject is *Dejon v. Smedley Co.*, 144 Atl. 473. In this case a warehouseman received for storage 59 containers. Several years later, when the owner requested delivery of the goods, he discovered that the contents were changed. The Court promptly held the owner not entitled to damages unless he proved positively the contents of the containers when they were delivered to the warehouse, and informed the warehouseman of the contents, saying:

"Since the warehouse receipt did not set forth any specific quantity, quality, or value, the burden was upon the plaintiff [owner] to prove these elements essential to a recovery."

Goods Taken by Court Procedure

GENERALLY speaking, a warehouseman is not liable in damages for goods destroyed, removed from the warehouse, or confiscated by a Court's order.

However, in controversies of this nature the warehouseman should, when it is possible to do so, notify the holder of the receipts of the impending Court legal action.

For instance, in the leading case of *Robinson v. Merchants' Storage Co.*, 256 Pac. 808, it was disclosed that household goods valued at $500 were stored with a warehouseman who gave the owner a warehouse receipt which was signed by both parties. The receipt stipulated that the goods were to be redelivered upon the owner's demand and upon the owner's payment of the storage charges.

When the owner presented his receipt and demanded the goods the warehouseman informed him that the goods had been seized in garnishment proceedings and that the Court had ordered them to be sold to satisfy a debt to another person, who claimed that he had not received payment for the merchandise.

Later the owner sued the warehouseman for $500, the value of the goods, contending that the latter was liable because the former held the warehouse receipt, and did not owe money to the person who had by Court procedure sold the goods.

As evidence was presented showing that the owner had been notified of the garnishment proceedings, the Court held the warehouseman not liable. This Court said:

"What was the duty of the warehouseman when the goods in its hands were attached under an order of the Court? We have seen when they were seized, notice of the garnishment was given to the bailor, who was thus given an opportunity to go into the Court from which the process issued and established his ownership of the goods. It was the duty of the bailee [warehouseman] to protect the goods, but was it his duty to defend the title of the bailor to the goods against the claims of others in a Court where the question of ownership was involved and out of which the garnishment order had issued? We think the law does not impose upon the bailee [warehouseman] the burden of going into Court and proving that the bailor had the paramount title. It was its duty, of course, to give the bailor notice of the adverse claims, and thus afford him an opportunity to defend."

In many instances warehousemen are compelled by peculiar circumstances to decide which of two mortgages or liens on the same goods is prior. It is well settled that the holder of the mortgage *of which the warehouseman has notice*, is entitled to delivery of the goods. This law applies, although the mortgage is recorded in a foreign State. However, where both mortgages are equal in priority the holder of the receipt usually is entitled to possession of the goods.

For instance, in *Union Warehouse Co. v. Barnett Bros.* 116 So. 810, the owner of stored cotton gave two mortgages on the *same* day to two *different* firms. One of these firms possessed the warehouse receipts.

The warehouseman refused to deliver the goods upon demand of the holder of the mortgage who did not have the receipt, and the latter filed suit to recover possession of the goods.

The Court ordered the warehouseman to deliver the goods to the latter mortgagee. Neither the Court nor the warehouseman had notified the holder of the receipts that the other mortgagee had filed suit. Later the holder of the receipts sued the warehouseman for the value of the merchandise thus delivered, contending that he was entitled to damages because he held the receipts.

The lower Court held the warehouseman liable, but the higher Court ordered a new trial on technical errors, saying:

"The primary duty of defendant [warehouseman] as bailee was to keep safe and deliver the cotton on demand to the plaintiff [holder of receipts] who was its bailor, and, when plaintiff had proved the bailment and a demand for delivery under the receipts and a failure or refusal to deliver by defendant [warehouseman], the burden was cast upon defendant [warehouseman] of showing a superior title in the party to whom it did deliver."

Advisory Committee of Secretary Lamont Is Seeking Suggestions as to Census Schedule

WITH a view to making the forthcoming census of manufactures as responsive as possible to the need of industry for accurate information concerning its own activities, the special advisory committee designated by Secretary Lamont has requested trade associations, manufacturing organizations and individual manufacturers for advice and suggestions as to the form of the schedule to be used in the enumeration.

The subjects covered by the schedule used in the 1927 census are: description of establishment; character of industry; time in operation; persons engaged; salaries, wages, and materials; products; power; coal consumed. The committee has invited suggestions concerning the form of questions under all of these subjects except production, which will be taken up directly by the Bureau of the Census with the industrial associations.

In view of the fact that it will be necessary to begin the printing of the general schedule early in September, comments on the general schedule should be sent to the secretary of the committee, Thomas W. Howard, 1615 H Street, Northwest, Washington, D. C., as promptly as possible in order that they may be given consideration by the committee preparatory to recommending the revision of the schedule.

In a statement concerning the manufacturing census, L. S. Horner, president of the Niles-Bement-Pond Company, chairman of the committee and a director of the Chamber of Commerce of the United States, said:

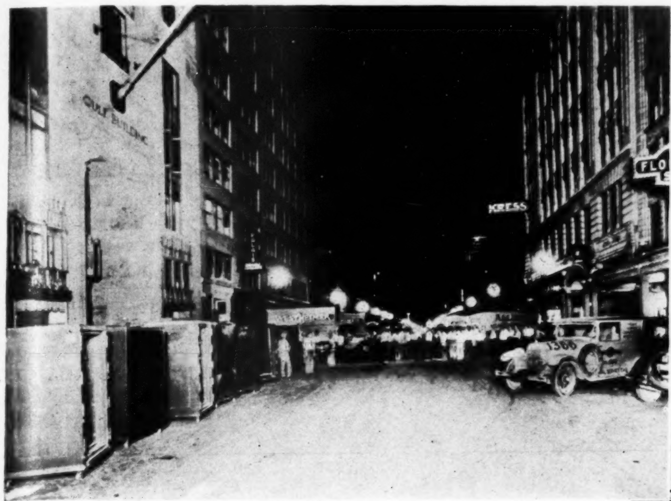
"For the first time industry itself has been called into consultation to shape the stupendous task of taking the census of manufactures. Upon industry itself will rest very largely responsibility for the outcome.

"In order that the census may be as comprehensive as possible, that essential and valuable information may be obtained and statistical data of the utmost practical use to manufacturers themselves be compiled, Secretary Lamont has requested a representative committee to submit recommendations concerning the revision of the schedule used in making the enumeration.

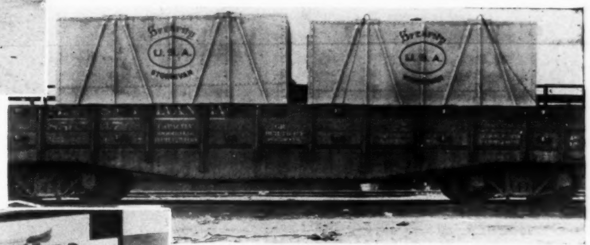
"To accomplish this purpose the committee desires the widest possible expression of opinion on the part of manufacturers themselves as to the question to be formulated, the practicability of supplying the information desired, and the scope of the census. Its aim is to suggest the character of information which will be helpful to industry in meeting larger problems of production and distribution with which it is confronted in shaping production and sales policies. The committee solicits advice and suggestions from individual manufacturers, business organizations, and trade associations, to the end that the recommendations made will represent the consensus of business itself.

"The time for doing this is short, as it will be necessary to begin the printing of the schedules well in advance of the enumeration. For this reason the committee is asking that suggestions be sent to it at once."

Pictorial Review of the New and Interesting



WHEN the Gulf Refining Co., Houston, removed into its new thirty-seven story home recently the members of the Houston Warehousemen's Club divided the work. Crews worked from 6 p. m. one day until 6 a. m. the next, and each member company was allotted several nights until the job was completed. About 200 men and twelve foremen were busy during each twelve-hour period, and the work went on twelve nights. The moving was done on the hourly contract basis, the client accepting without question the local association's figure. The picture to the left is that of a night scene. At the time the vans and men of the Westheimer Transfer & Storage Co. were engaged.



ABOVE, two lift vans—used both for storage and for shipping—of the Security Storage Co., Washington, D. C., en route to Paris with the household effects of the Polish Minister. The Security has a large fleet of these steel containers registered under the Patent Office trademarks "Storinvan" and "Storingvan."

TO right, below, the display of E. W. Younger Co., warehousemen in Newcastle-on-Tyne, England, at the recent North East Coast Exhibition staged at Newcastle. This shows a scale model of warehouse and garage and an electrical-operated steam wagon and trailer. An electrical page boy automatically distributed 5,000 publicity pamphlets to passers-by.

ABOVE, a furniture van—owned by the South Side Transfer & Storage Co., Pittsburgh—which has aluminum alloys in its body construction in order to decrease the weight. For story about such bodies, turn to page 42.

BELOW, the new de luxe furniture van of the O.K. Transfer & Storage Co., Oklahoma City, "The Princess of Oklahoma City," 18 ft. long, 7 ft. high, 7 ft. wide, with capacity of 1,050 cu. ft. The body, with 6-ft. tail gate and a compartment over the cab, is mounted on a 3½-ton, 6-cylinder Federal chassis.

In Motor Trucking—

Transportation Cost More Important Than Initial Cost of Vehicle*

By L. A. GRAHAM†

THIS may be rather an unusual way to begin an address, but I am going to talk about something that does not exist—"The Second Cost of Trucking." Naturally, when I mention "second" cost, the thought that springs to your mind is the operating cost of the truck as compared with its initial or first cost. But, gentlemen, is there really such a thing? Isn't there only one cost that you and I are concerned with—namely, the cost of transportation? No man here has ever bought just a truck. He has bought the transportation that that truck could deliver.

I want to talk to you briefly today about cutting costs of transportation.

Any person who has given the subject of cost any thought whatever knows that the first step in cutting costs is to know costs. And that has been the big drawback in years gone by in the trucking business. Not knowing accurately what their costs were, truck operators could do relatively little in the way of reducing them. If they had known, for example, that their maintenance costs were high, or that their depreciation costs were too high, or their fuel cost, then it would have been a relatively simple matter to find out where these costs might be reduced. But without any clear cut or accurate methods of keeping costs, truck owners have been largely in the dark.

Let me give you an analogy in another business—the retail grocery business. As you know, when you and I were boys we probably did not look forward with much ambition to becoming a retail grocer. It was not commonly supposed that there was much profit in the retail grocery business. Since then things have changed. Some of the largest fortunes are owned today by men who have built and managed chain grocery stores. The grocery business, the drug business, and, if you please, the trucking business, have taken their place as the big, powerful, profitable businesses of today.

How did this come about, for example, in the grocery business? Because some bright individuals realized that there could be a greater profit in selling groceries and began to figure out just what the costs were. They found that clerk-hire and delivery, for instance, were factors that were keeping down profit. By more efficient display of stock; by eliminating needless clerks; by making inducements for the housewife to carry-her-own; by cooperative purchases; by a dozen other plans to lower cost, it was found possible to build up real sizeable profits in these businesses.

The same thing is happening rapidly today in the business in which you gentlemen are engaged, the haulage of goods.

By getting a true picture of the various factors in cost of operating trucks, men engaged in the haulage business are learning how to cut these costs.

FOR example let me quote a few remarks made by Mr. Zimmerman at a meeting of furniture warehousemen recently. Mr. Zimmerman says:

"The initial investment in motor trucks is a very small item compared to the costs of operating that piece of equipment throughout its life, and yet very little equipment is sold on the merits of low operating costs."

Mr. Zimmerman said further on:

"Some day we hope the truck manufacturers will sell equipment on a cost per ton mile, or hourly basis, which would help a great deal toward educating the truck operators to secure compensation for services rendered, commensurate with the cost of that service."

And still further, Mr. Zimmerman offered this significant remark:

"From our own experience I might add that we find that a higher initial investment means a lower unit operation cost per mile or hour."

These three quotations all have a very great significance. And in fact, one of the objects of my talk is virtually to comment and expand upon these three statements, from the standpoint of the truck manufacturer—Mr. Zimmerman having previously given his views from the standpoint of the truck operator.

Every progressive truck manufacturer realizes, as Mr. Zimmerman points out, that the first cost of a truck is but a very small fraction of the cost of the transportation which it is supposed to supply. Every truck operator who has even a hazy idea of the cost of trucking knows that he must include the entire first cost of his truck, on a per mile or a per day basis, right in the total cost of his hauling.

For example, if he is selling haulage at 25c. per mile, for a given set of trucking conditions, the total first cost of his truck, in correct system of accounting, represents not more than an average of 4c. out of that 25c. In other words, gentlemen, the first cost of the truck represents on an average no more than 16 per cent of the sale price of the transportation which it delivers.

And yet, when we, as truck manufacturers, meet you as truck users—and most of the contacts, unfortunately, are at the time when you purchase the truck or perhaps when something goes wrong with it rather than during the time when you are getting useful work out of it—nearly all of the discussions center around this one point:—how much will the truck cost me when I pay for it, not when I use it.

Gentlemen, this condition cannot long obtain, if the truck business is going to progress as rapidly as all signs indicate today.

Incidentally, I think you will agree that the truck business is becoming stronger every day. We are using trucks almost all over the country to replace the railroad for short hauls of less-than-

**Address at recent Cincinnati convention of National Team & Motor Truck Owners' Association.*

†General sales manager Relay Motors Corporation, Lima, Ohio.

¶J. R. Zimmerman, secretary City Transfer & Storage Co., Long Beach, Cal.

carload shipments, or even for long-distance hauling of such cargos. In nearly every mid-western city today perhaps 95 per cent or more of the milk comes in by truck, whereas almost this same percentage years ago came in by rail. We are using trucks for deliveries direct from manufacturer to dealer, without any intermediate handling. Trucks are even being used virtually as traveling warehouses—to sell the dealer, or even in some cases the ultimate consumer, direct from the vehicle.

Some of the railroads themselves are getting into the trucking business, and in this connection those of you who are at all familiar with systems of railroad management know that the railroad is very intimately and accurately aware of its cost of operation, in every detail. If I should put the blunt statement to you gentlemen and ask you, first, what is your average cost of producing transportation per mile, and second, what is the percentage of each of the items entering into these costs, I am inclined to doubt if many here could give me reasonably accurate answers.

Knowledge Means Profits

Gentlemen, if you are to make the money which you are entitled to in this business, you must know these costs and be thoroughly familiar with the approved methods of reducing them. Otherwise the highly competitive conditions which exist in your business as in other businesses will make it increasingly difficult for you to show a profit.

Before going into a brief discussion of how to cut those costs, let me summarize for you a typical analysis of truck operations, costs and profits, taking an average of the thousands of figures which we have examined.

For instance, let us assume that the sale price of transportation is 25c. per mile, which represents possibly the carrying of an average load of 3½ tons a distance of 70 or 80 miles per day. Of this 25c. per mile, wages will constitute perhaps 6c., other fixed charges and general overhead 3c., depreciation 4c., maintenance 4c., tires 2c., gasoline 3c., and the remainder, profit, 3c.

Most certainly these do not represent the figures that will universally be found. They are taken merely as a cross-section of all of the different costs of operation found in every-day practice. I am using them merely to serve the single purpose here—concentrate your mind on one simple, fairly common case.

The first important lesson to be drawn from these figures is that we must omit none of them. We must know just what items are to be included in general overhead and fixed charges. You are all familiar with these, and I scarcely need repeat them here. Some of you say that the item of maintenance seems high; others may have different ideas about depreciation. However, it is pretty fairly established that without an adequate charge for maintenance, which means not only making the necessary repairs but also constantly keeping the truck in condition through periodic, systematic inspections and overhauls, you will lose far more than you gain through such penny-pinching policy. Those companies that keep costs accurately will find that the figures as shown are extremely conservative. To assume that figures lower than this are obtained in your business, is probably to penalize yourself by not charging enough for your transportation.

As Mr. Zimmerman so aptly pointed out, if the manufacturer himself gets accustomed to selling transportation to the trucking companies on a per mile basis, it would be the one best way for the trucking company to get the deserved profit from the shipper.

The question that we as truck manufacturers are highly concerned with is: how long will truck buyers continue to put their major attention on the first cost of their vehicle, when it is shown to play a part equal only to 16 per cent of their whole cost of transportation?

The answer probably is: just as long as the truck manufacturer himself does not offer to his buyer any great means for cutting down these costs.

Naturally if the truck buyer begins to think that all trucks are substantially as alike as peas in a pod, assuming a given weight of the chassis, then there is little reason for him, in purchasing his truck, to pay attention to any other items than the quoted first cost. However, if the truck manufacturer can, logically and truthfully point to definite savings which may be made from the use of his vehicle, then the situation materially changes.

If we look over the items of trucking costs briefly we will see that there are a certain number that cannot reasonably be reduced, no matter what type of truck you use; but there are others which may vary considerably, depending on the type of equipment bought.

To find out where savings can be made, I should like to read you at this point a letter from one of the most prominent trucking concerns in the country—a concern that has established a national reputation through its policy of selling haulage by the mile. Incidentally, an indication that the true basis of selling transportation is per mile is given by the fact that a great many trucking companies are springing up, all over the country, in which this basis of charge is used.

Cost Factors

"In answer to your inquiry concerning the factors which we believe materially affect truck operation, wish to say that in our opinion the controlling factors in the comparative operating costs are:

"1. Initial investments

"2. Depreciation

"3. Maintenance Costs

"Factors such as insurance, garaging, gasoline, oil, etc., do not appear to fluctuate widely from any particular capacity vehicle, regardless of the make of unit.

"The initial investment determines the finance and interest charges and also influences the depreciation charge per mile, since this charge is determined by dividing the initial investment by the number of miles of useful life in the vehicle. Thus, if a sufficiently longer life can be obtained, higher initial investments are warranted.

"The question of comparative cost per mile resolves itself usually to an analysis of the balance between the necessary maintenance charges and the depreciation factors.

"Both the physical deterioration of the vehicle and the maintenance charges thereof are usually lower with higher first price trucks. We have found that two of the most important items entering into the maintenance cost due to deterioration of motor vehicles are (1) lubrication of the chassis, and (2) susceptibility to road shock. The first factor, namely, lubrication, is a detail which becomes expensive only if neglected. The second factor is a result of truck design and varies widely with different makes of trucks.

Horizontal Shocks

"Trucks whose design is such that the horizontal as well as the vertical road shocks are largely compensated for, should show a much longer life and lower maintenance charges than trucks of conventional design.

"Assuming the same initial investment, the same class of maintenance and lubrication, it appears to us that if the question of road shock can be handled so that its effect is minimized, a much longer truck life should be expected, and therefore a lower per mile cost.

"We feel that the cost per mile averaged over the life of the truck, and not initial investments required, is the basis for truck selection."

This company has made a success of selling haulage on a mileage basis, in spite of all the numerous variable factors that enter into such a policy of doing business. They charge a weekly "standby" plus a definite cost per mile traveled. Just as the railroads have found that they can sell passenger transportation at 3.6c. per mile irrespective of the distance traveled—so trucking companies have had a similar experience.

Moreover, these companies have found, as I have already shown by these quotations, that the better type of equipment turns out to be cheaper in the long run. That is to say, they actually can furnish transportation cheaper per mile if they use good trucks than if they use poor.

Incidentally, the gentleman who signed the letter that I have just read was formerly manager for a large system operating "drive-yourself automobiles." This firm discovered that it actually cost them less per mile when they rented a certain type of passenger car listing at $1,500 than if they rented a passenger car listing at $750, one-half that amount.

Gentlemen, there cannot continue to be a profit in the trucking business unless every item that enters into the cost of trucking is very carefully analyzed. You will notice, in the letter just read you, the stress that is placed on maintenance costs, tires and fuel as influenced

by the horizontal shocks to which the vehicle is subject.

This brings me to the last factor that I want to emphasize—namely, how can the manufacturer help you reduce your costs?

Here again one of the big drawbacks in past years has been the fact that so few, if any, vital, fundamental improvements have been made, in trucking, which would lower the cost per mile. One or two manufacturers have, in fact, been prone in the past to declare that they had not changed their design for ten or twelve years. Gentlemen, if you were using today the same methods in your business that were used ten or fifteen years ago I doubt if you would be in this audience.

But in the main the truck manufacturers from whom you purchased your vehicles are striving with every resource in their power to produce a constantly improved truck that will make more profit for you. We, as truck manufacturers, have found that the improvements we can make are in the direction of engineering rather than production. Truck production methods have reached a high point of perfection. But in truck engineering, there is still a great deal to be done. So the leading truck manufacturers of today are spending hundreds of thousands of dollars to maintain comprehensive research departments that are looking beyond conventional designs, in the constant aim to produce an improved product that will save every possible penny for you in your per mile costs of transportation.

"One Cost and One Only"

I want to close by emphasizing, as I stated at the beginning, that in our opinion this per mile cost is the only cost that enters into the trucking business—not the first cost, and not the theoretical "second cost."

There is one cost and one only—the cost of the transportation.

Of the 25c. per mile which represents the average sale price of transportation, only 4c. is represented by the initial cost. The remaining 21c. is operating costs. We are glad in all the work that we as truck manufacturers do to clearly specify what the expected transportation cost of the vehicle will be, and what savings can be expected, because of the inherent operating factors in our vehicle, other manufacturers do likewise.

We are glad to do this not only in our own interest, but in yours, and I can do little better than use Mr. Zimmerman's words again in closing: "Some day we hope the truck manufacturers will sell equipment on a cost per mile or hourly basis, which would help a great deal toward educating truck operators to secure compensation for services rendered, in keeping with the cost of that service."

What the Scotch "Gave" Us—Moving Day

THE origin of "moving day"—which brings the household goods warehouseman both business and grief—is apparently Scotland's "flitting day," according to L. L. Newton, secretary of Chicago's Homes Economic Council, which is conducting a campaign to scatter moving days through the year locally.

In support of his belief, Mr. Newton quotes from Chambers's "Book of Days," published in Edinburgh. The volume describes "flitting day" as follows:

"The 25th day of May, in the Whitsunday term (old style), is a great day in Scotland, being that on which, for the most part, people change their residences. For some unexplained reason the Scotch 'remove' oftener than their southern neighbors. They very generally lease their houses by the year, and are thus at every twelve-month's end able to shift their place of abode.

"A House to Let"

"It haps, accordingly, that at every Candlemas (February 2) a Scotch family gets an opportunity of considering whether it will sit or flit. The landlord calls to learn the decision on this point; and if 'flit' is the resolution, he takes measures by advertising to obtain a new tenant. The two or three days following upon the Purification, therefore, become distinguished by a feathering of the streets with boards projecting from the windows, intimating 'A HOUSE TO LET.' Then comes on a most lively excitement for individuals proposing to move; you see them going about for weeks, inspecting the numerous houses. The gentleman deliberates about the rent—whether it will suit his means. The lady has her own anxious thoughts about new furniture that may be required, and how far old carpets can be made to suit the new premises. Both have their reflections as to what the Thompsons and the Jacksons will say on hearing that they are going into a house so much handsomer, more ambitiously situated, and dearer than their last.

"Intensely longed for, the 25th of May comes at last. The departing tenant knows he must vacate his house before twelve o'clock; consequently, he has to arrange for a quick transportation of his household goods that forenoon. What he is to the new tenant, the tenant of the house he is going to occupy is to him. He dreads—hates—to be pushed; but on the other hand he must push, lest his Penates be left shelterless on the street. There is accordingly all that morning a packing up, a sending off, a pushing in—upholstery meeting upholstery in deadly contention; streets encumbered with card-tables and arm-chairs in the most awkward irrelation to their proper circumstances; articles even more sacredly domestic exposed to every idle passerby —a straw — and — ropiness everywhere. Each leaves his house dishevelled and dirty—marks of torn down brackets and departed pictures on the walls, floors loaded with unaccountable rubbish. But there is not time for cleaning, and in each must plunge with all his goods and all his family, settle as they may. There is only a rude bivouac for the first twenty-four hours, with meals more confused and savage than the roughest picnic. Nor are the drawbacks of the new dwellings much insisted on, however obvious. On the contrary the tendency is to apologize for every less agreeable feature—to view hopefully the effect of a little cleaning here, a coat of size there; to trust that something will make that thorough draft in the lobby tolerable, and compensate for the absence of a sink in the back-kitchen.

"A few months generally serve to dispel much of the illusion of the new place and show all the disadvantages of the new mansion in a sufficiently strong light. So when Candlemas next comes around, our tenant has probably become dissatisfied, and anxious for another change. If considerations of prudence stand in the way, the family must be content to stay where they are for another year or two. If able to encounter another change, they will undertake it, only perhaps to find new, though different discomforts, and long for other changes."

—*Courtesy of "Moving Craft," Chicago.*

Maloney Firm Enters Warehousing

The Maloney Trucking & Storage, Inc., is the new name adopted by the Crescent Transfer & Shipping Co., Inc., a New Orleans drayage firm which has entered the merchandise storage business with a warehouse occupying the square bounded by South Front, Gaienne, Delta and Erato Streets, about 200 yards from the Illinois Central.

Under the reorganization of the Crescent, Paul H. Maloney, its founder, becomes president of the company bearing his name. Paul H. Maloney, Jr., a former Tulane University football captain, is manager of the draying and warehousing service. Roger J. Neyrey is manager of the trucking division and Duncan McKissark is maintenance superintendent. E. A. Mugnier, Jr., is secretary-treasurer, and Harry D. Hamilton is a vice-president.

Nova Scotia Plant Completed

The new terminal of the Nova Scotia Public Cold Storage Terminals, Ltd., Halifax, has been placed in operation. It comprises four units, including a six-story general cold storage warehouse, a six-story fish storage building and a three-story and basement apple and potato warehouse. Six switches lead into the terminal from the Canadian National Railways and accommodation is provided for simultaneous loading and unloading of fifteen freight cars.

Philadelphia Firm Issues Tabloid Pictorial to Attract Household Goods Storage

By K. H. LANSING

"WHAT! Another tabloid daily for Philadelphia?" This query, in substance, was heard in tones of surprise many times this spring and early summer, especially in the northern portion of the Quaker City, where there suddenly appeared a bright and snappy new illustrated publication of eight pages, apparently in rotogravure dress. On the front page, in orthodox "tabloid" fashion, appeared beautiful girls in filmy attire indulging in athletic stunts when caught by the cameraman; no less a personage than Charlie Paddock, himself, portrayed making one of his famous flying finishes at the tape, agonized countenance and all, and illustrations of other sporting and news events, including pictures of horses, a sailing yacht and Ramon Navarro, Anita Page and Gardner James, posed about an airplane used in filming the movie "All Aboard."

"Jazzy-looking sheet," said sheiks at first glimpse.

"It's the feline's eyebrows," remarked the flappers.

"Can Philadelphia's serious public support this latest entrant?" wonderingly asked the elder folk—

Then they looked from the pictures to the masthead.

"The Powelton Pictorial News," read the title. Their eyes roaming to the cute little cuts of moving vans, one on each "ear" of the page:

"Sure thing! We know; it's all an 'ad,'" all agreed.

Even so, and a mighty good one, was the verdict.


The POWELTON PICTORIAL NEWS
Powelton Protects Your Valuable Furs
Everybody's

Illustrating two pages of the Powelton company's pictorial

100,000 Copies

One hundred thousand copies of "The Powelton Pictorial News" edition were crisply rustling in the hands of as many interested persons soon after reaching them. The plan of the publication's sponsor, the Powelton Co., packing, moving and storage, had worked out well.

To particularize, the plan included scattering among the pictured facilities and services of the storage warehouse company a sufficient number of up-to-the-moment news and sporting illustrations to sharpen anything that might tend to seem too much like "the dull edge of business monotony." But really, there isn't a dull moment in perusing "The Powelton Pictorial News" even for the man who lives in his hat and hasn't anything to put in storage.

No need to review now the bright spots in sport and the news of the day as they were on the date of publication. That's all history. But it's still of lively interest that the Powelton Co., as depicted in the sepia-toned illustrations, has a notable system of protecting valuable furs and fur garments in its vaults, where they are protected from moths, fire and theft; that it maintains a high-pressure method of mothproofing fabrics, whether of upholstered furniture, garments, tapestries, floor coverings, or whatnot, with a solution so infallible that a written guarantee is given with each job; that protective packing, even in open rooms of the company, is one of the "high lights"; that ready access to goods in storage is a convenience offered by the house to its customers; that all detail relating to packing, moving and storage are handled for the patron easily and quickly; that the company is an agent for the nation-wide organization, Allied Van Lines, Inc., devoted to long distance moving of household and office goods by motor van; that some of the world's finest rugs are kept safely and securely from fire, dust and moths in the Powelton rug vault and—

Oh, well, lots of other things. Take a look at some of reproduced pictures, yourself.

Editors Report Business Was Better in First Half

Editors of 152 business magazines, who answered a questionnaire submitted by the National Conference of Business Paper Editors, indicate that business conditions are generally ahead of those of the first half of 1928 and that the industries they represent are on an even keel.

In spite of high money rates, tariff legislation and labor difficulties, trade is not being hampered and the more than seasonal decline in general business that was anticipated in mid-spring has not materialized.

Industrial and engineering construction has increased about 30 per cent, enlargement of automotive plants showing a large gain over the same period last year.

TWO BITS

Vol. IX. No. 12 — *A Bit Here, A Bit There* — Gotham, September, 1929

"HOW could you," inquires an inquirer who signs herself "Somebody's Stenog," "refrain from publishing 'Two Bits' these past few months?"

Tush, Lady. There are many things we could refrain from, buttermilk not inclusive, & also not inclusive seem to be the Red Dog games en route to storagers' conventions, more's the pity.

As for not publishing *Two Bits* these past few months, another anxious inquirer writes in to know whether the lapse has been on a/c that a Certain Party that we got wedded to on Jan. 4 has been in Europe all summer, thereby leaving Ye Ed. disheartened.

We will not dignify such an intimation by giving publicity to it.

It is true that our Better ½ exited from Gotham ere the summer solestice arrived, &, as proof that she has been in Paris, we reproduce this mo. (Sept) an elegant photo which she mailed us special for *Two Bits*.

This reproduced photo is of interest to you on a/c that the main subject thereof, whose name is Azwuz, a native of Sumatra, was consigned from Paris to Gotham by Jimmy Hoeveler, the Pittsburgh storager who has a warehouse in Paris.

Ere our Certain Party embarked last May we gave her an assignment to drop in at Jimmy's warehouse in Paris to see how Jimmy was getting along over there, & the arrival of the photo of Azwuz is the 1st, or initial, result. Jimmy packed & shipped Azwuz to the U. S. In the accompanying photo he is smiling for *Two Bits*, we mean Azwuz not Jimmy. Geo. Post, our office boy, says he thinks it is a picture of Lon Chaney. Shortly after posing, Azwuz changed his mind about wanting to be pleasant & ripped a sleeve off the coat of 1 of Jimmy's warehouse laborers & Ye Ed. was not at the Gotham dock to greet Azwuz.

All or any of which does not explain why *Two Bits* has not been appearing of late.

With heart-wringing reluctance, we will tell you the truth about it.

Ye Ed. has been writing a book.

You should not get the idea that the book is a romantic novel on a/c that we got wedded on Jan. 4.

No, it is about philately.

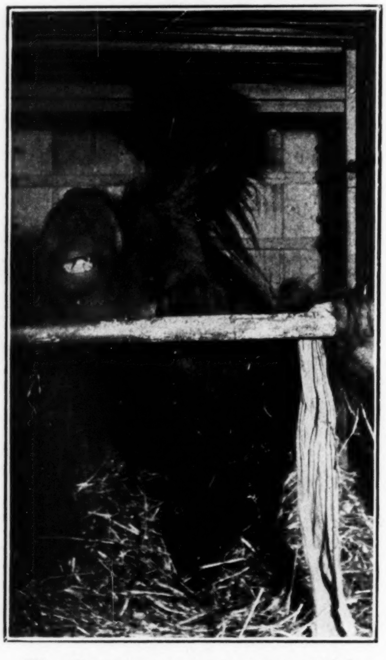
Philately, for the information of storagers who do not know, is the hobby of collecting postage stamps.

There are a 1,000,000 people in this country who collect postage stamps.

We could name several allied with storaging who are philatelists, & others whose sons or daughters or other relatives are.

W. E. Halm, ex-prexy of the New York Dock Co., collected for yrs before anybody except his intimate friends knew about it. O. V. Hukill, Gotham, eastern representative of the Am'n Chain of Warehouses, is a philatelist; & so is Walt Sweeting's, the Philadelphia storager's, son; Ed Lee's, the Chicago storager's, father-in-law; Ed Coe's, the Detroit storager's, son; Bill Bostwick's, the Gotham storager's, brother; Lee Cotter's, the Akron storager's, daughter; & there are others we know of, including Jimmy Hoeveler's, the Pittsburgh & Paris storager's, son, and Carl Wittichen's, the Birmingham storager's, son.

You Should Meet Azwuz



The Sumatra orang-outang which Jimmy Hoeveler, the Pittsburgh and Paris storager, shipped & packed from Paris to Gotham

Well, with a 1,000,000 people in this country being philatelists, Harper & Brothers, the Gotham publishers, got the bright idea that a book about the subject ought to sell, & what did they do but ask Ye Ed. to write the book?—on a/c that they had heard that Ye Ed. knows all about philately.

So Ye Ed. signed a contract with Harper's last fall but we did not start writing the book until March, thinking it would be easy 1ce we got started. Well, about May 1, or a mo. before the book was due to be finished, we decided that if we was ever to get the darn thing done on time we would have to live in an atmosphere which was without any distracting moments & activities. Such seemed manifestly impossible on a/c we had got wedded on Jan. 4.

So now you know the real reason why the Certain Party went to Europe. It was in order to let us finish our book. As soon as the ship sailed & we got reverted back to the bachelor existence of pre-Jan. 4, Ye Ed. attacked the problem vigorouslike & with our customary penchant style. For the nonce *Two Bits* was neglected. The book got done about Aug. 1, or 2 mos. after its completion was due, & that is why we now resume *Two Bits*.

For the inform'n of storagers & kin who are collectors, the book is yclept "Stamps—An Outline of Philately." It will be published by Harper & Brothers, 49 East 33d Street, New York City, about Oct. 1. It contains nearly 70,000 words & more than 200 illustr'ns. Only innate modestly prevents us from mentioning that the name of the book's author is Kent B. Stiles. The price is $3 & it is worth it—& we ought to know about that.

All storager-philatelists should buy a copy on a/c that Ye Ed. will get his pay on a royalty basis, & if no copies are sold, Ye Ed. gets no pay. If we could induce W. E. Halm, O. V. Hukill, Walt Sweeting, Ed Lee, Ed Coe, Bill Bostwick, Lee Cotter, Jimmy Hoeveler & Carl Wittichen to buy 1 copy each, there would be a good start right away. Fortunately, *Distribution and Warehousing* has a good system of sending a postcard each month to every storager whose name is mentioned in the current issue of the magazine, so this paragraph will come to their attention & we may get rid of 9 copies of the book easy.

Well, now that the book is done & it looks like we will get rid of 9 copies to the storagers mentioned, we could stand having a Certain Party come back from Europe any time now. We are ready to renounce the bachelor existence of pre-Jan. 4 & reenter the atmosphere of distracting moments & activities. In fact we sent a cable to Paris to that effect—with what result, if any, we will maybe announce in our Oct. *Two Bits* so if your subscription has expired you should renew it.

& another reason why *Two Bits* has lapsed recently is that Ye Ed. had to take a business trip to Montreal, Regina, Vancouver, Seattle, Tacoma & Portland & other environs during the summer.

(*Concluded on page 50*)

BOOKS AND PAMPHLETS OF INTEREST TO THE INDUSTRY

These Can Be Supplied, at the Prices Indicated, by

DISTRIBUTION AND WAREHOUSING

249 West 39th Street, New York City

Distribution and Warehousing's Warehouse Map of New York City

Price $2.00

This map, in colors, and produced for us by Rand, McNally & Co., sets down the geographical locations of public warehouse companies—merchandise, household goods and cold storage—listed in the New York City sections of our 1929 Warehouse Directory (January) issue. Each company is designated by a number, and the companies' names and their corresponding numbers are shown.

On regular map paper, with metal edges top and bottom. Size, 23 by 33 inches. . . . For the shipper of commodities and household goods into the New York territory this map will be found invaluable.

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A Department of Commerce publication.

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A comprehensive treatment of traffic management.
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United States Warehouse Act 0.05
Regulations, as prescribed by Department of Agriculture, for warehousemen storing canned foods.

Warehouse Directory (subscription to *Distribution and Warehousing* included)... 3.00
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The 1929 edition appears as part of the January issue of *Distribution and Warehousing.* Single copies each **5.00**

Warehouse Forms 0.10
Simplified Practice Recommendations No. 34 of the U. S. Department of Commerce. Describing and illustrating the standard warehouse documents approved by the Government.

Warehousing 10.00
Trade customs and practices; financial and legal aspects.
By H. A. Haring

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Regular Edition to A.W.A. members: Vol. I, 10; Vol. II, $5. Both......................... **12.50**
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Please Send Payment With All Orders

Warehouses Were 71% Occupied in May as Against 71.8% in April

Slight Recession Is Shown by Government Statistics. April Figure Was Highest Yet Attained by Department of Commerce Survey. Larger Percentage of Goods Entered Storage During May Than in Any Other Month Since February of 1928.

By KENT B. STILES

REVISED figures made public at Washington by the Bureau of the Census of the Department of Commerce show warehouse occupancy of 69.9 per cent on March 30; 71.8 per cent at the close of April, and 71.0 per cent on the last day of May.

The April mark of 71.8 per cent, covering 1,218 reporting warehouses, is the highest reached since the Government began assembling these

PUBLIC MERCHANDISE WAREHOUSING

March-April-May, 1929

Division and State	Number of Warehouses			Per Cent. of Floor Space Occupied			Tonnage					
							Received During Month	Delivered on Arrival	Received During Month	Delivered on Arrival	Received During Month	Delivered on Arrival
	March 1929	April 1929	May 1929	March 1929	April 1929	May 1929	March 1929		April 1929		May 1929	
NEW ENGLAND:												
Mass. and Vt.	44	44	44	48.9	50.1	52.1	13,240	1,728	22,777	1,471	27,333	1,763
Conn. and Rhode Island	15	15	15	66.6	65.7	65.9	4,285	2,695	4,829	3,204	4,295	3,364
MIDDLE ATLANTIC:												
New York	329	325	326	*61.6	74.3	74.3	*109,743	*18,101	122,599	26,498	144,471	20,028
New Jersey	52	52	52	76.3	78.0	78.1	62,647	1,583	48,960	1,894	20,129	1,677
Pennsylvania	56	56	56	72.0	71.2	71.6	*31,223	4,214	30,487	5,014	131,527	4,148
E. NORTH CEN.:												
Ohio	31	31	31	88.0	87.8	89.2	*35,854	*4,695	*34,320	*4,490	40,756	5,961
Indiana	18	18	18	80.8	81.7	80.3	3,168	1,378	2,930	1,327	2,418	1,242
Illinois	58	58	60	78.2	78.7	78.6	57,544	10,270	56,075	10,177	61,179	7,768
Michigan	54	54	54	*66.0	67.6	70.9	*18,673	*3,245	22,027	3,581	25,518	3,063
Wisconsin	36	37	37	85.2	*84.5	88.2	8,255	2,713	*8,000	*2,251	8,355	3,272
W. NOR CEN.:												
Minnesota	36	36	37	*79.0	76.9	71.5	13,491	8,105	*16,629	*9,334	18,208	7,986
Iowa	21	21	22	*68.8	*67.9	69.2	5,983	1,845	6,652	*2,055	6,777	2,120
Missouri	21	21	20	82.4	81.1	82.0	9,119	1,716	9,818	1,805	7,751	1,640
N. Dakota and S. Dakota	9	9	9	*93.7	93.3	92.8	*2,036	*424	2,200	504	2,970	446
Nebraska	22	22	22	*74.2	69.8	69.7	7,806	3,082	8,954	*2,967	8,929	2,476
Kansas	19	19	19	83.0	*84.8	80.0	5,151	4,757	*4,885	*4,565	6,185	4,771
SO. ATLANTIC:												
Delaware, Maryland, and Dis. of Col.	41	41	41	53.4	53.4	51.6	36,080	8,130	35,762	7,961	30,869	8,666
Virginia and West Virginia	31	32	32	69.3	70.4	70.4	5,991	42,274	16,702	43,008	6,593	41,963
N. Carolina and S. Carolina	12	12	12	65.1	68.7	68.1	1,871	569	2,309	412	2,563	456
Georgia and Florida	29	29	29	77.8	76.0	75.7	8,268	2,388	6,644	1,998	8,181	1,889
E. SOUTH CEN.:												
Kentucky and Tennessee	15	15	15	74.6	76.8	77.3	10,054	1,703	*10,035	*1,662	10,307	1,810
Alabama and Mississippi	11	11	11	77.5	81.4	75.9	1,758	1,513	1,764	1,390	1,898	1,461
W. SOUTH CEN.:												
Arkansas, Louisiana and Oklahoma	20	21	21	79.8	80.3	77.4	14,892	2,975	28,251	*3,160	17,188	3,165
Texas	53	*55	55	78.1	58.5	44.6	15,495	7,497	19,385	8,613	14,840	7,123
MOUNTAIN:												
Idaho, Wyoming and Montana	8	8	8	74.9	64.0	65.1	710	993	824	1,275	679	1,177
Ariz., Utah, Nev. and New Mex.	15	15	16	77.0	77.2	73.2	5,095	1,502	4,517	1,560	4,323	2,214
Colorado	17	17	17	*75.3	75.0	72.6	2,540	2,145	1,905	1,794	1,722	1,852
PACIFIC:												
Washington	31	30	31	64.6	68.0	69.4	*7,338	*4,772	6,554	4,982	6,585	3,478
Oregon	8	7	7	66.7	67.2	70.3	17,898	18,266	15,467	21,775	12,031	12,360
California	107	107	107	*76.1	78.2	77.6	*35,000	*8,114	37,241	6,536	38,247	6,011
Total for United States	**1,223**	**1,218**	**1,224**	***69.9**	***71.8**	**71.0**	***551,208**	***173,392**	***589,502**	***187,253**	**572,827**	**165,350**

**Revised*

statistics in January of 1928.

Of the total volume of merchandise reaching the warehouses during the three months covered in the table on the opposite page, 76.1 per cent went into storage in March, the balance being delivered on arrival; 75.9 per cent went into storage in April, and 77.6 per cent went into storage in May.

Occupancy

THE occupancy columns of the table disclose that at the end of March there was 80 per cent or more occupancy in the reporting warehouses in North and South Dakota combined (93.7), Ohio (88.0), Wisconsin (82.5), Kansas (83.0), Missouri (82.4), and Indiana (80.8).

At the close of April, the Dakotas again led, with a mark of 93.3 per cent; and Ohio was still second, with an 87.8 percentage, followed by Kansas, Wisconsin, Indiana, Alabama-Mississippi, Missouri, and Arkansas-Louisiana-Oklahoma, all above the 80.0 mark.

At the end of May, reporting plants in only six of the States had an occupancy of 80.0 per cent or better. The Dakotas again led, with 92.8; Ohio continued second, with 89.2; followed by Wisconsin, Missouri, Indiana and Kansas.

It will be noted that all of the foregoing States lie in the Central West or along the Mississippi River.

The low occupancy ebb during March and April was in Massachusetts-Vermont, the respective percentages being 48.9 and 50.1. The low in May was recorded as 44.6 per cent, in Texas. The only other States where warehouses reported less than 60 per cent occupancy during the three months are the group comprising Delaware, Maryland and District of Columbia.

In anticipation of an increase in the tariff on sugar, great stocks on this staple, in raw form, have been arriving at Boston from abroad, and it will be noted that the occupancy reported by forty-four warehouses in Massachusetts-Vermont advanced from 48.9 per cent in March to 50.1 in April and 52.1 in May. The May figure is the highest since last December and is 10 per cent higher than at the close of May of 1928.

The percentage of 71.0 for the entire country, as of May 31, corresponds with 68.6 at the end of the corresponding month last year.

The Peak in April

The percentage of 71.8 for the entire country, as of April 30, is the highest mark yet reached since the Department of Commerce inaugurated this statistical movement, and compares with 69.8 per cent at the close of April last year.

The percentage of 69.8 for the entire country, as of March 31, is unchanged from the same date in 1928.

Comparing the 1929 figures at the close of May with the 1928 percentages at the end of the same month in 1928, we have the following:

Every warehouseman receiving the monthly questionnaires from the Department of Commerce owes it to himself and his industry to send in replies promptly.

States	Occupancy Percentage End of May 1928	Occupancy Percentage End of May 1929
Mass.-Vt.	42.1	52.1
Conn.-R. I.	46.2	65.9
New York	78.1	74.3
New Jersey	80.1	78.1
Pennsylvania	77.1	71.6
Ohio	81.7	89.2
Indiana	72.5	80.3
Illinois	74.0	78.6
Michigan	77.9	70.9
Wisconsin	63.1	88.2
Minnesota	70.4	71.5
Iowa	55.8	69.2
Missouri	72.2	82.0
No. & So. Dak.	78.6	92.8
Nebraska	67.9	69.7
Kansas	85.0	80.0
Del., Md. & D. of C.	49.2	51.6
Va. & W. Va.	54.9	70.4
No. & So. Car.	55.3	68.1
Ga. & Fla.	60.7	75.7
Ky. & Tenn.	61.7	77.3
Ala. & Miss.	82.5	75.9
Ark., La. & Okla.	56.6	77.4
Texas	46.1	44.6
Ida., Wyo. & Mont.	68.7	65.1
Ariz., Utah, Nev. & N. M.	67.9*	73.2
Colorado	76.7	72.6
Washington	52.9	69.4
Oregon	71.7	70.3
California	75.0	77.6
Entire United States	68.6	71.0
Warehouses reporting	1,087	1,224

*1928 *figure does not include Arizona.*

The foregoing comparative figures indicate improvement in conditions, this last May as compared with the same month a year ago, in New England; the East North Central division (Michigan excepted); the West North Central section (Kansas excepted); the South Atlantic States; Kentucky-Tennessee in the East South Central division; Arkansas-Louisiana-Oklahoma in the West South Central section; Arizona-Utah-Nevada-New Mexico among the Mountain States; and the Pacific States except for Oregon.

Tonnage

DURING last March, 724,600 tons of goods arrived at the reporting warehouses; of this volume, 551,208 tons, or 76.1 per cent, went into storage, the balance being delivered on receipt. In April, the percentage entering storage was 75.9, as 589,502 tons went into storage out of 776,755 arriving. In May, the percentage entering storage advanced to 77.6, as 572,827 tons remained at the warehouses out of 738,177 received.

The May percentage, 77.6, is the third highest recorded, for the entire country, since the Government began compiling these figures. It is exceeded only by the February, 1928, percentage, 83.6, and by the January, 1928, percentage, 83.3.

By divisions, the percentages of goods entering storage during March, April and May of 1929 were as follows:

Division	Percentage Entering Storage March	April	May
New England	79.8	85.5	86.1
Middle Atlantic	89.5	85.8	88.4
East North Central	84.7	85.0	86.6
West North Central	67.9	69.8	72.3
South Atlantic	49.5	53.5	47.6
East South Central	78.6	79.4	78.9
West South Central	74.4	80.2	75.7
Mountain	64.3	61.0	56.2
Pacific	76.9	64.0	72.2
Entire United States	76.1	75.9	77.6
Warehouses reporting	1,223	1,218	1,224

Comparing the May, 1929, percentages (of goods entering storage), division by division, with those of May of last year, we have the following:

Division	Percentage Entering Storage May, 1928	May, 1929
New England	74.4	86.1
Middle Atlantic	74.7	88.4
East North Central	87.1	86.6
West North Central	73.7	72.3
South Atlantic	79.6	47.6
East South Central	75.3	78.9
West South Central	74.3	75.7
Mountain	68.5	56.2
Pacific	60.4	72.2
Entire United States	76.7	77.6
Warehouses reporting	1,087	1,224

The gain for the country, this past May as compared with May of a year ago, was nine-tenths of 1 per cent. The greatest gain, nearly 12 per cent, was recorded by the warehouses reporting from the Pacific States. The biggest drop was in the South Atlantic section, the recession being 33 per cent.

Free Ports Favored

THE conclusion that free ports or foreign trade zones, if properly located in some American harbors, might have a stimulating effect on port growth and foreign trade has been reached in a special study of the question by the bureau of operations of the United States Shipping Board, assisted by the War Department's board of engineers for rivers and harbors and by the State Department's consular service, it was announced in Washington on Aug. 1.

The study was asked several months ago by Chairman O'Connor of the Shipping Board after a number of bills had been introduced in Congress looking to the establishment of free ports.

Although the system has proved successful in northern Europe, most of the suggestions made in Congress have been merely for the creation of foreign trade zones where goods could be imported for export free of customs duties. Opposition has been pronounced to proposals for permitting free imports of goods for manufacture and export.

The survey just completed analyzes the effects produced by free ports and foreign trade zones on shipping and terminal facilities abroad. The main argument in their favor is that they would aid in the development of transshipment and consignment trade, and would thus build up the merchant marine.

H. A. Haring's

New Business for Warehouses

No. 46

Trade Directories as Your Mailing List

WITH the approach of the fall, warehousemen begin to go after business more aggressively. The summer season, with vacations and other interruptions, brings an annual quiet in the solicitation of new accounts, but, with the cooler months, activity begins anew. Whatever else he does or does not do, the warehouseman uses the mails to seek new accounts, either by means of printed circulars or by personally written letters. Whatever the form of approach, the up-to-date mailing list becomes imperative. No expense is so extravagant as a poor mailing list, and one that is three or four years old is sure to be 25-30 per cent worthless.

Constant revision of names becomes a necessity, not only for the correction of changes and the removal of those names which have disappeared from the business field, but, most of all, for the purpose of learning who are the newcomers into business.

For this purpose, no means is equal to the trade directory—with its annual revision of listings by some publisher close to the industry and who has an interest in correctness and completeness.

Trade directories cost from $2 to $10. They are worth the cost.

The mere elimination of ten errors is worth $1 for any concern which sends out a general mailing, because any piece of mailed matter will cost at least 10 cents. To save 100 pieces from sheer waste would justify an outlay of $10 for a trade directory. It is, moreover, always best to mail pieces to an individual rather than to "The Company," and nowhere is it possible to obtain names of officers, with correct initials, more readily than from the latest trade directory.

Not Always Necessary to Buy the Directory

THE directory is worth its cost. Yet often it is possible to obtain use of one without any cash outlay.

As first source is the city library, in any city where the librarian is keenly aware of the demands of business for books. Often—only too often, as a matter of fact—libraries are content to do with a "last year's issue," which they get free from the publisher after the issuance of the new directory. Such a "last year's issue" is, possibly, better than none, but if you will think over the changes in your own business within a year or two you will realize the foolishness of consulting a year-old publication of this sort.

The next source of borrowing a directory is a local concern which belongs in the industry.

A coal mine operator, for example, will undoubtedly have the year's copy of "The Coal Buyers' Catalog," "The Coal Field Directory," and "The Coal Mining Catalog." Your specialist physician will have "The Red Book of Eye, Ear, Nose and Throat Specialists." Your local electric company will have the electrical trade catalogs, and probably one, if not all, of the four "Gas" catalogs.

The local concern will have on hand the directory of its particular trade, exactly as you have on hand the annual Warehouse Directory—because he subscribes to it, or advertises in it. To borrow is so simple a matter that instructions are not needed.

A third easy source is not so obvious, but I have known many who use it for this purpose. Suppose you wish to consult the directory for quarrying equipment. There may not be in your town any business house which would have this, or know about it. The procedure is then to bide your time until a salesman calls on you for some commodity that is related to quarrying. It might be polishing equipment or polishing compounds; it might be skid trucks; it might be lifting equipment; it might be overhead trolleys, or monorails; it might be wire rope.

Inquire of him as to trade directories for the whole quarrying industry, telling frankly your purpose for the inquiry. The chances are that he will dig for the directory in his portfolio, much as you would produce, on demand, a copy of the Warehouse Directory. It is his tool. The way is then easy to borrow, for a limited time, his copy. More than likely he will hesitate to do without his copy for a week, but he will offer to procure the loan of another copy from his branch office.

Another possible source may be worth mentioning. Many of these trade directories are distributed without charge. A "red postage stamp" is all that is necessary. Such free distribution is common with manufacturers' associations, "information bureaus," welfare organizations and other cooperative groups. Many of the trade "catalogs" for metals and textiles, mining and quarrying, electrical industries, and so on—although listed and advertised with a price—are actually distributed by the publishers without charge.

It is not safe to say that all trade directories may thus be obtained, for they cannot. Some of the most desirable are most difficult to get except by paying the list price. Yet it is true that a surprising number are to be had merely for the asking, especially if the request comes on business stationery, signed by an officer—these being indications that the inquirer is not a youth or a curiosity seeker.

How to Use

"THE trouble with all mailing lists," declares a specialist in the business of preparing and selling them, "is that important men turn them over to a clerk. And it's usually to the newest and lowest-paid clerk in the place. But even the best clerk never gets the right slant on why the list is wanted.

"Only the real man of the business can make up the 100 per cent mailing list. He is the only person who knows at a glance whether it's worth while to solicit Standard Oil or Podunk Nobody. There's no use mailing a campaign, which costs you eighty cents, at 'Standard Oil Co., 26 Broadway, New York,' if you know they have a subsidiary that makes the same product you do. But no clerk can be expected to know that much. Then, if you do go after such a big corporation, it's necessary to go after some officer by name. At least by title. Your clerk is just as likely as not to address the stuff to Mr. Rockefeller, because his name stands first in the list of officials.

"But it's only once a year that a big man takes the time to do it. He'll find a million alibis against taking an evening or two to blue pencil a directory or revise a typed mailing list, but he'll pay a couple of hundred dollars for the list

and spend eighty cents per name for the mailings without batting an eye. Any mailing list can be cut down one-half by the man who knows the business. It's better to spend more on the worthwhile names and not fool yourself just because you're sending out so many thousand pieces."

All this sounds sensible. Yet, after talking for half an hour of his experiences with buyers of mailing lists, this gentleman ended the talk by adding:

"But—it's no use. They won't do it."

Of the men I know who have "done it," one told me:

"I hated the job. But when I did tackle it I found out a lot of things. The big one was that a world of new concerns had come into the business since I quit the road. All my salesmen's reports of new prospects didn't give me the facts, and I found that eighteen per cent of the new names hadn't been reported by our men at all."

This man, who is sales manager for a company known to all warehousemen, tells me that he cut nearly half from the list as prepared by his clerks and that he became so interested in the "new names" that he sent out two letters over his own penned signature, in addition to the scheduled mailings.

"That list isn't a lot of street numbers to me," says he. "It's 380 possible new customers—the same sort I used to call on when I made the road trips. I wrote to them because I wished I had time to call on them."

A List of Trade Directories

FROM time to time requests come to *Distribution and Warehousing*, and occasionally to myself, for the titles of trade directories, and particularly for the addresses of the publishers. Below is therefore given a list of the more useful of these publications, the list having been compiled over two or three years of time and being here printed for the help of any warehouseman who may wish to extend his mailing list into any industry:

Abbey's Western Lumber Register,
The Industrial Service Co.,
Portland, Oregon.

Directory of Agricultural and Home Economics Leaders,
777 Concord Ave.,
Cambridge, Mass.

American Paint Trade Buyers' Guide,
American Paint Journal,
St. Louis, Mo.

Automotive-Chilton Catalog and Directory,
Chilton Publishing Co.,
Philadelphia, Pa.

Automotive Industrial Red Book,
Chilton Publishing Co.,
Philadelphia, Pa.

Blue Book Bank Reporter of America,
149th St. & Bergen Ave.,
New York, N. Y.

Bankers' Directory,
Rand, McNally & Co.,
Chicago, Ill.

Bankers' Encyclopedia,
431 Howard St.,
Detroit, Mich.

Beverage Blue Book,
431 S. Dearborn St.,
Chicago, Ills.

Home Builders' Catalog,
1315 W. Congress St.,
Chicago, Ill.

Building Age and National Builders' Year Book,
243 West 39th St.,
New York.

Buyers' Guide for Latin America,
210 Lincoln St.,
Boston, Mass.

Buyers' Guide in the U. S.,
American Directory & Custom House,
7 Water St.,
New York.

Canadian Trade Index,
Canadian Manufacturers' Association,
Toronto, Ontario.

Canners' Annual Directory,
National Canners' Association,
Washington, D. C.

Almanac of the Canning Industry,
The Canning Trade Publishing Co.,
Baltimore, Md.

Car Builders' Cyclopedia,
Simmons-Boardman Publishing Co.,
30 Church St.,
New York.

Directory of Cement,
Gypsum & Lime Manufacturers,
53 W. Jackson St.,
Chicago, Ill.

Central Power Station Directory,
475 Tenth Ave.,
New York.

Ceramic Products Cyclopedia,
407 S. Dearborn St.,
Chicago, Ill.

Chemical Engineering Catalog,
419 Fourth Ave.,
New York.

Coal Buyers' Catalog,
475 Tenth Ave.,
New York.

Coal Field Directory,
475 Tenth Ave.,
New York.

Keystone Coal Mining Catalog,
475 Tenth Ave.,
New York.

Mac's Directory of Coal Mine Operating Companies,
Coal Information Bureau,
Pittsburgh, Pa.

College and Private School Directory,
163 N. Michigan Ave.,
Chicago, Ill.

Directory of Catholic Colleges and Schools,
National Catholic Welfare Conference,
Washington, D. C.

Manufacturing Confectioners' Blue Book,
30 N. LaSalle St.,
Chicago, Ill.

General Contractors' Catalog and Data Book,
221 E. 20th St.,
Chicago, Ill.

Davison's Cordage, Twine and Duck Trades,
30 Union Sq.,
New York.

Custom House Guide,
U. S. Custom House,
New York.

Dairy Produce Yearbook,
136 W. Lake St.,
Chicago.

Decorative Furnisher and Buyers' Guide,
381 Fourth Ave.,
New York.

Decorative Trades, Handbook of the Allied Interior,
373 Fourth Ave.,
New York.

Druggists' Circular Red Book Price List,
12 Gold St.,
New York.

Druggists' Directory,
154 Nassau St.,
New York.

Druggists' Directory and Commercial Reference Book,
Hayes Publishing Co.,
Detroit, Mich.

American Educational Directory,
314 W. Superior St.,
Chicago, Ill.

Electric Railway Directory,
475 Tenth Ave.,
New York.

Electric Traction Pocket List,
431 S. Dearborn St.,
Chicago, Ill.

Electrical Engineering Catalog,
475 Tenth Ave.,
New York.

Electrical Trade Catalog,
475 Tenth Ave.,
New York.

Sweet's Engineering Catalog,
119 W. 40th St.,
New York.

Engineering Catalog Directory (Domestic),
1900 Prairie Ave.,
Chicago, Ill.

Exporters' Encyclopedia,
20 Vesey St.,
New York.

Red Book of Eye, Ear, Nose and Throat Specialists,
17 N. Wabash Ave.,
Chicago, Ill.

Farm Implement Buyers' Guide,
431 S. Dearborn St.,
Chicago, Ill.

American Fertilizer Handbook,
1010 Arch St.,
Philadelphia, Pa.

Furniture Blue Book,
516 Murray Bldg.,
Grand Rapids, Mich.

American Gas Catalog & Directory,
53 Park Place,
New York.

Brown's Directory of American Gas Companies,
9 E. 38th St.,
New York.

Gas Engineering and Appliance Catalog,
9 E. 38th St.,
New York.

Directory of the Gas Industry,
9 E. 38th St.,
New York.

Gift and Art Shop Buyers' Directory,
260 Fifth Ave.,
New York.

Glass Factory Directory,
230 Fifth Ave.,
New York.

Great Lakes Red Book,
Penton Publishing Co.,
Cleveland, Ohio.

Thomas' Wholesale Grocery Register,
461 Eighth Ave.,
New York.

Hardware Catalog for Hardware Buyers,
239 W. 39th St.,
New York.

American Wholesale Hardware Directory,
1701 Arch St.,
Philadelphia, Pa.

American Hatter Directory,
1225 Broadway,
New York.

Hide and Leather Yearbook and Directory,
300 W. Adams St.,
Chicago, Ill.

American Hospital Directory,
537 S. Dearborn St.,
Chicago, Ill.

Hotel Red Book,
103 Park Ave.,
New York.

Wrigley's Hotel Red Book,
404 Homer St.,
Vancouver, B. C.

Ice and Refrigeration Blue Book,
5707 W. Lake St.,
Chicago, Ill.

Best's Insurance Guide,
73 Fulton St.,
New York.

Directory of Iron and Steel Works of America,
Penton Publishing Co.,
Cleveland, Ohio.

Jewelers' Circular Buyers' Directory,
11 John St.,
New York.

National Jewelers' Directory,
536 S. Clark St.,
Chicago, Ill.

Jobbers' Handbook,
42 Weybosset St.,
Providence, R. I.

Davison's Knit Goods Trades,
50 Union Sq.,
New York.

Directory of the American Knitting Trade,
334 Fourth Ave.,
New York.

Pocket Directory of Leather Manufacturers,
20 Lincoln St.,
Boston, Mass.

Frasers' Leather Products Directory,
1070 Bleury St.,
Montreal, P. Q.

Locomotive Cyclopedia,
Simmons-Boardman Co.,
30 Church St.,
New York.

MacRae's Hendricks' Bluebook,
18 E. Huron St.,
Chicago, Ill.

Directory of Illinois Manufacturers,
231 S. LaSalle St.,
Chicago, Ill.

Thomas' Register of American Manufacturers,
461 Eighth Ave.,
New York.

Mariners' Almanac,
Fish Pier,
Boston, Mass.

The Market Data Book,
537 S. Dearborn St.,
Chicago, Ill.

Davison's Mattress Directory,
50 Union Sq.,
New York.

American Medical Directory,
535 N. Dearborn St.,
Chicago, Ill.

Chicago Men's Wear Directory,
8 E. 13th St.,
New York.

Frasers' Men's Wear Directory,
1070 Bleury St.,
Montreal, P. Q.

New York Men's Wear Directory,
8 E. 13th St.,
New York.

New York Men's & Women's Wear Directory,
8 E. 13th St.,
New York.

Merchants, Manufacturers and Shippers of the World,
70 Fifth Ave.,
New York.

Frasers' Metal Products Directory,
1070 Bleury St.,
Montreal, P. Q.

Metal Quarry Catalog,
475 Tenth Ave.,
New York.

Metal Quarry Directory,
475 Tenth Ave.,
New York.

Mill Supply Buyers' Guide,
537 S. Dearborn St.,
Chicago, Ill.

New York Millinery Directory,
8 E. 13th St.,
New York.

Millinery Trade Review Buyers' Index,
1225 Broadway,
New York.

Fox's Music Trade Directory,
25 E. Jackson Boulevard,
Chicago, Ill.

New England Business Directory,
377 Broadway,
Boston, Mass.

American Newspaper Annual and Directory,
N. W. Ayer & Son,
Philadelphia, Pa.

Nugent's Directory of Business Papers,
1225 Broadway,
New York.

Oil Trade Blue Book,
533 Plymouth Ct.,
Chicago, Ill.

Blue Book of Optometrists and Opticians,
17 N. Wabash Ave.,
Chicago, Ill.

Director of Paper and Allied Trades,
10 E. 39th St.,
New York.

Paper Mill Directory,
1440 Broadway,
New York.

Petroleum Register,
239 W. 39th St.,
New York.

Pit and Quarry Handbook,
533 S. Clark St.,
Chicago, Ill.

Plastics' Directory,
461 Fourth Ave.,
New York.

Playthings Directory,
381 Fourth Ave.,
New York.

Pocket Directory of the American Press,
400 N. Michigan Ave.,
Chicago, Ill.

Printing Paper Catalog,
41 Park Row,
New York.

Printing Supply Catalog,
41 Park Row,
New York.

Printing Trades Blue Book,
608 S. Dearborn St.,
Chicago, Ill.

Pocket List of Railway Officials,
424 W. 33rd St.,
New York.

Railway Engineering & Maintenance Cyclopedia,
30 Church St.,
New York.

Assessments of Warehouse Stocks Urged on Iowa Tax Reformers

Abolishment of the Iowa warehouse exemption law, on the ground that the statute permits chain stores and other foreign corporations to evade thousands of dollars in potential taxes, was suggested to Iowa taxation reform seekers during their recent conference with members of the Wisconsin tax commission at Madison, Wis.

The visiting Iowa group comprised six members of the Hawkeye State's Legislative committee on taxation and revenue and Louis H. Cook, chairman of Iowa's new tax commission on a tour seeking revenue information on which to base legislation to relieve the tax burden now imposed on real property in Iowa.

Goods in warehouses, exempt under the Iowa law, should be subjected to taxation in the opinion of Charles D. Ross, chairman of the Wisconsin tax commission. Chain stores, he told the Iowans, were especially benefited by the warehouse exemption Act and could manipulate their storage facilities to work legal evasion of the State taxation to which certain other properties were liable. The experience of Wisconsin was ample proof of this, he said.

Rubber Blue Book,
150 Lafayette St.,
New York.

Seed Trade Buyers' Guide,
1018 S. Wabash Ave.,
Chicago, Ill.

Shoe and Leather Annual,
210 Lincoln St.,
Boston, Mass.

Pocket Directory of Shoe Manufacturers,
210 Lincoln St.,
Boston, Mass.

Davison's Silk Trade,
50 Union Sq.,
New York.

Specification Record,
162 W. Randolph St.,
Chicago, Ill.

Sporting Goods Dealers' Trade Directory,
C. C. Spink Publishing Co.,
St. Louis, Mo.

Standard Steel & Metal Directory,
150 Lafayette St.,
New York.

Wrigley's Storage & Transfer Directory,
404 Homer St.,
Vancouver, B. C.

Seller's Guide to Supply Houses,
537 S. Dearborn St.,
Chicago, Ill.

Directory of the Telephone Industry,
461 Eighth Ave.,
New York.

Davison's Textile Blue Book,
50 Union Sq.,
New York.

Official American Textile Directory,
334 Fourth Ave.,
New York.

Directory of Textile Merchandise,
334 Fourth Ave.,
New York.

Directory of Southern Textile Mills,
Clark Publishing Co.,
Charlotte, N. C.

Frasers' Textile Products Directory,
1070 Bleury St.,
Montreal, P. Q.

Theater Equipment Directory,
710 Federal St.,
Chicago, Ill.

Directory of American Toy Buyers,
620 S. Michigan Ave.,
Chicago, Ill.

Educational Trade Index and Buyers' Guide,
314 W. Superior St.,
Chicago, Ill.

Warehouse Directory,
243 W. 39th St.,
New York.

Waste Trade Directory,
150 Lafayette St.,
New York.

Water Works Catalog and Data Book,
221 E. 20th St.,
Chicago, Ill.

Welding Encyclopedia,
608 S. Dearborn St.,
Chicago, Ill.

Who Makes It and Where,
260 Fifth Ave.,
New York.

Chicago Women's Wear Directory,
8 E. 13th St.,
New York.

Frasers' Women's Wear Directory,
1070 Bleury St.,
Montreal, P. Q.

New York Women's Wear Directory,
8 E. 13th St.,
New York.

Wood Products Directory,
1070 Bleury St.,
Montreal, P. Q.

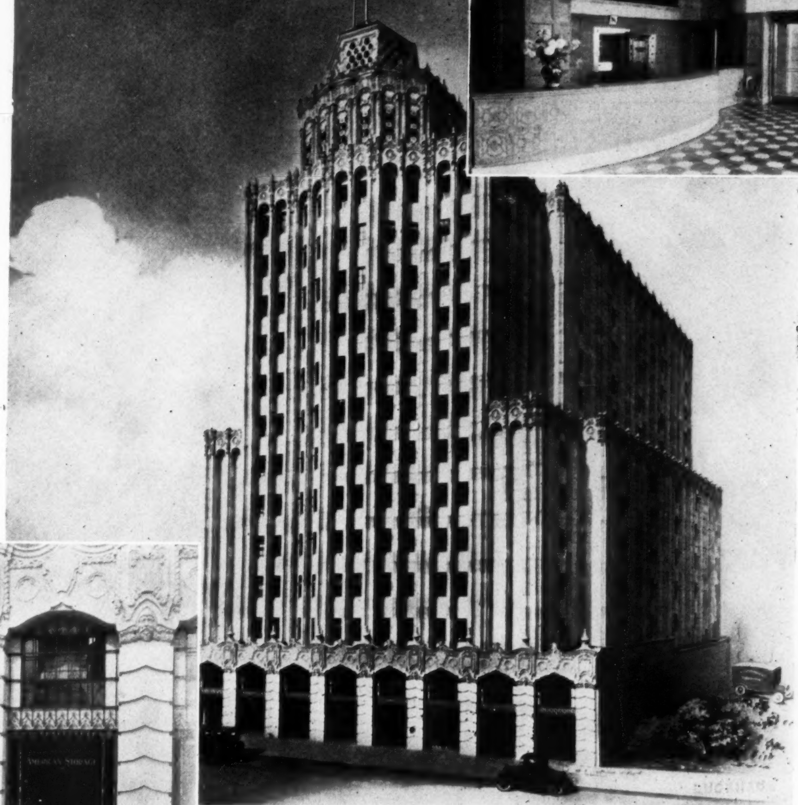
Wrigley's British Columbia Directory,
404 Homer St.,
Vancouver, B. C.

WHAT'S WHAT IN NEW BUILDINGS

No. 126

American Storage, Inc., of California
Los Angeles

Above, main lobby and office of the American's warehouse. These are faced with travertine, and ceilings are groined and decorated



Right, the thirteen-story warehouse of the American Storage, Inc., of California, located half way between Los Angeles and Hollywood

Left, a view of the handsome frontage of the Los Angeles depository

THE recently-completed warehouse of the American Storage, Inc., of California, situated exactly halfway between Los Angeles and Hollywood, is a thirteen-story limit height reinforced concrete structure planned and equipped to accommodate every type of storage business, together with ground floor stores and offices for allied industries. It fronts Beverly Boulevard, near Vermont. Beverly is one of the important east and west traffic arteries.

In studying the development of the architecture of industrial and storage business, according to Arthur E. Harvey, the architect, of Los Angeles, the storage structures present a difficult problem "owing to the necessity for the large proportion of blank walls compared with other types of buildings," and "the obvious thing to do would be to over-ornament the plain surfaces in order to produce an attempt at decorative values.

James E. Bowen, the company's president, appreciated the advertising value of well designed structures and gave the architect wide latitude with respect to set-backs and breaks in the form of the building, thus permitting a vertical design patterned somewhat after the modernistic type of recent eastern tall structures.

The fronts and sides of the American's warehouse are designed to be viewed from any direction, for in this particular situation all frontages are seen from long distances and the building has already become a landmark.

The basement is devoted to general workshops, rug cleaning and fumigating rooms, finishing room, the fur

(Concluded on page 56)

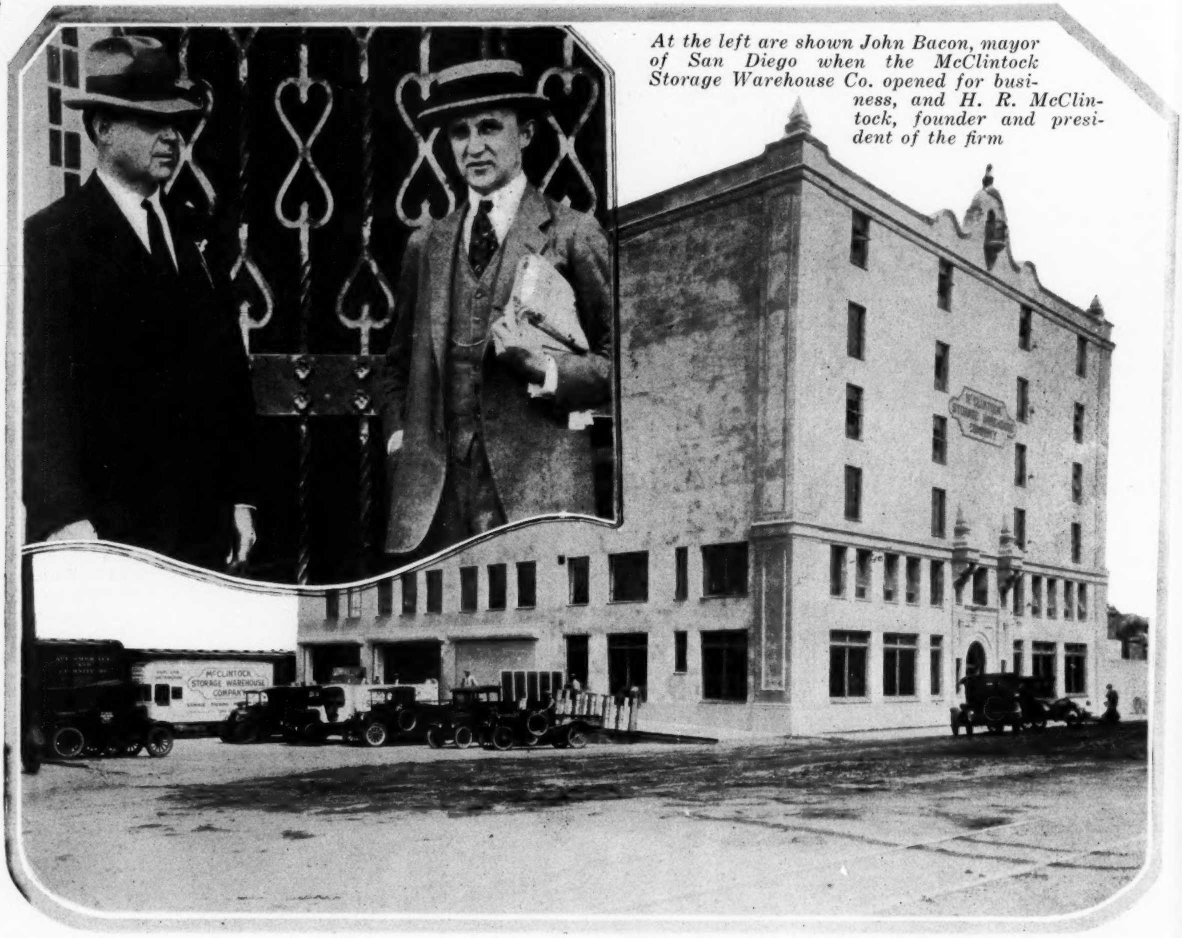
No. 76

H. R. McClintock

By ELIZABETH FORMAN

Succe

Let's Take the Famil



At the left are shown John Bacon, mayor of San Diego when the McClintock Storage Warehouse Co. opened for business, and H. R. McClintock, founder and president of the firm

Above, the warehouse, of Spanish architecture, built and operated by H. R. McClintock.

SO far as the industry is concerned, H. R. McClintock, president of the McClintock Storage Warehouse Co., San Diego, Cal., is what may well be termed "new blood." Up to the autumn of 1923 when he was about 36 years of age, he was in the advertising business. He had, in fact, been in the advertising business most of his life and a great many of those years had been spent "on the road." He was tired of traveling, so he began to look about him for a different line of endeavor—one that would measure up to the thumb rule of protection in a financial way and still be interesting.

The warehouse business was called to his attention. It "listened good," so he spent six months traveling through the East and South, investigating the various branches of the industry in the cities which he visited. Returning to his home in San Diego, he organized the McClintock company, bought a tract of land and immediately began construction work on a modern concrete building six stories high and with a floor space of 67,000 sq. ft.

The building was completed and opened by July, 1925, and at the end of the second year the company settled down to a regular dividend basis.

Mr. McClintock's years of effort in advertising were not lost to him in his new enterprise. Being a novice at warehousing, he naturally brought to it some new ideas, and one of these began to take root about the time the paint in the new building was beginning to dry. As a consequence the McClintock firm staged what was undoubtedly one of the most unique and successful openings in warehousing history.

The affair took the form of a three-day industrial exhibition, the new building being turned over to the local merchants and manufacturers for that purpose. The exposition was attended by 50,000 persons. The wares on display all were products of San Diego. In

(Concluded on page 54)

Stories

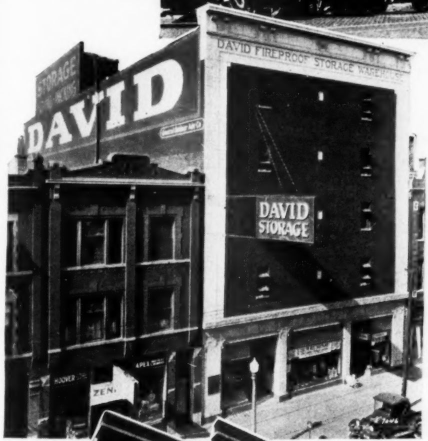
No. 77

Album Out of Storage!

Theodore W. David

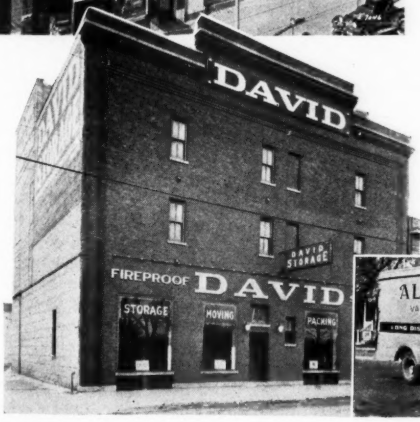
By ELIZABETH FORMAN

In oval, Theodore W. David, president and one of the founders of the David Fireproof Storage Warehouses, Chicago

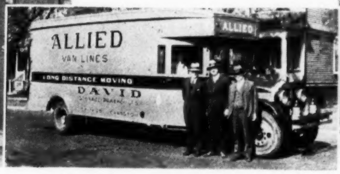


Below, while the first warehouse was being erected

Below, the first rig



Below, an A.V.L. vehicle with James L. McAuliff, S. S. David and Theodore W. David



THE title of a popular play of a few seasons ago might well have applied to the Davids in Chicago. It was "All the Brothers Were Valiant."

For the brothers David of the David Fireproof Storage Warehouses, Chicago, besides building up a busi-

(Concluded on page 52)

FROM THE LEGAL VIEWPOINT

By Leo T. Parker

Warehousemen Liable for Injury to Customer's Employee

IT is important to know that a warehouseman is liable in damages for injuries caused a customer's employee wwhen such injury results from failure of the warehouseman to provide reasonably safe tools, appliances and premises.

For illustration, in the recent case of *Coomer v. Supple Inv. Co.*, 274 Pac. 302, it was disclosed that a customer sent an employee to a warehouse to transport stored goods. The employee was injured by a spike, which protruded from a runway, while carrying the merchandise from the warehouse. The employee sued the warehouseman for damages. The jury of the lower Court held the warehouseman liable on instructions from the Court, as follows:

"Even though you should find there were protruding nails or spikes, that fact alone would not be sufficient to entitle plaintiff [injured employee] to recover. He must go further and not only satisfy you by a preponderance of the evidence these nails and spikes were protruding, but that defendant [warehouse] company knew, or ought to have known, it by the exercise of ordinary care."

The warehouseman appealed the case to the higher Court on the contention that, although he might be liable, under the circumstances for an injury sustained by his own employee, yet he was not liable for an injury received on his premises by a customer's employee.

However, the higher Court upheld the lower Court's verdict, saying:

"The instructions given by the Court cover a correct statement of the law regarding defendant's [warehouseman's] liability for defects in the hoist and runway. . . . Plaintiff [employee] was an employee of a customer of defendant and was on the premises of defendant, using its appliances, while lawfully engaged in his occupation. . . . The law requires an employer to exercise every reasonable care and precaution requisite to protect its employees, and *others having a duty or a legal right to be on the premises* of the employer, from injury."

Warehouseman Liable for Injuries Caused by Person Who Borrows Automobile

GENERALLY speaking, a warehouseman who permits another to operate his motor vehicle is liable in damages for injuries caused by negligence of the driver.

For instance, in the recent case of *McCarter v. Burger*, 10 S. W. (2d) 348, it was disclosed that a warehouseman named Takasch often permitted his son-in-law named Burger to use his motor vehicle to deliver to customers various articles.

One day while Burger was using the vehicle for his own purposes he negligently collided with another car, inflicting severe injuries to its occupants.

The injured person sued Takasch, who attempted to avoid liability by proving that he had not given Burger permission to drive the vehicle on the date the accident occurred. In fact Takasch did not know that Burger was using it. Notwithstanding this plea, the Court promptly held Takasch liable, saying:

"In a personal injury action, mere proof of a defendant's ownership of an automobile . . . is sufficient to sustain a judgment against such owner. . . . In this instance, it is conceded that Takasch was the owner of the automobile, which was driven by Burger and figured in the collision. Consequently, such fact *alone* was *prima facie* sufficient to charge Takasch with responsibility for the management of the car."

What Don't You Know?

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Municipality's Lease Giving Exclusive Rights to Warehouseman Held Valid

INASMUCH as many warehousemen may contemplate leasing municipal property for warehouse purposes, the recent case of *City of Oakland v. Williams*, 274 Pac. 328, imparts valuable information.

The facts are that a city leased its warehouse, in the course of construction, exclusively to a private warehouseman for a period of ten years.

Public notice of the intention of the city to lease to the highest bidder, for a term of ten years, the land comprising approximately seven acres, together with a warehouse to be erected thereon at the cost of approximately $400,000, and calling for bids thereunder, was duly published and circulated previous to granting the lease.

Suit was instituted against the city to prevent fulfillment of the lease contract on the contention that the city officials were without authority to lease municipal property exclusively to a warehouseman for conduction of his private business. However, the higher Court held the lease valid and enforceable, stating important law, as follows:

"If the necessity for exclusive use exist, such necessity ought to be recognized by the city and the attempt to supply such necessity is an attempt to fulfill a public duty. . . . What is a public purpose has given rise to no little judicial consideration. Courts, as a rule, have attempted no judicial definition of a 'public' as distinguished from a 'private' purpose, but have left each case to be determined by its own peculiar circumstances."

License Law Held Invalid

WHILE it is true that the majority of laws regulating motor trucks are valid and enforceable, yet it is true that discriminatory taxation laws are invalid.

For instance, in *Weimar Storage Co. v. Dill*, 143 Atl. 438, it was disclosed that a storage company brought suit against the State motor vehicle commissioner to restrain the latter from enacting a statute imposing an excise tax on all motor vehicles operated in interstate commerce for the purpose of transporting goods as a common carrier.

The storage company contended that the commissioner was without authority to enforce a statute regulating interstate commerce, because this power was granted exclusively to Congress by the United States Constitution.

In holding the statute invalid and unenforceable, the Court stated important law, as follows:

"It is true that a State which has expended moneys in creating or improving facilities used in commerce may lawfully, for the purpose of obtaining fair remuneration for the cost of construction and maintenance thereof, impose a charge for the use of those facilities, so long as it is fair and reasonable. . . . The fact that such a charge is required of those engaged in interstate commerce, in common with all other users of the facilities, does not make such a statute invalid as regulating interstate commerce or taxing an incident of interstate commerce. The charge in such a case

is not upon interstate commerce or on any incident thereof, but a charge as an owner or provider of the facility, on the use of the facility by all, by those not engaged in interstate commerce as well as by them who are so engaged."

New Law Does Not Affect Old Contracts

THE law is well established that a new law, irrespective whether it is a municipal ordinance, a State statute, or a United States law, cannot change the relation of parties who have entered into a contract prior to the enactment of the new law.

For example, in *India Tire & Rubber Co. v. Murphy*, 6 S. W. (2d) 141, it was disclosed that a tire company entered into a contract with a warehouseman whereby the latter agreed to store and distribute the former's merchandise.

After this agreement was signed the State Legislature enacted a law that affected fulfillment of the contract. However, in holding that the terms of this contract must be carried out under the law in force when the contract was signed, the Court said:

"At the time of the filing of this suit, and at the time of the entry of the judgment in this case, this law was not in force. . . . A case must be tried under the law as it existed at the time the suit was filed."

Construction of Lease Contracts

FREQUENTLY the outcome of litigations involving lease contracts depends on whether the agreements are leases or sales.

For example, in *American Co. v. Armour & Co.*, 271 Pac. 896, it was disclosed that an owner leased a portion of its building to a lessee for a period of three years. A clause in the lease read as follows:

"The lessor [owner] reserves unto itself the right to terminate and cancel this lease upon ninety (90) days written notice if at any time during the term the property, of which the demised premises are a part, be sold by the lessor, and the execution of a contract for the sale of said property shall be considered to be a sale within the meaning of this paragraph."

Not long after, the city, desiring to extend certan streets, took practically all of the property.

The lessee brought suit against the owner to recover a portion of the money which the city had paid for the property. The Court, in holding the owner liable because the contract between the two parties actually constituted a sale, quoted the established law, as follows:

"Whatever may be the true meaning of the word 'sale,' as used in the contract, it is clear that the transaction by which land is condemned . . . when perfected, as a statute transfer of the title to the corporation, and in a legal sense is a purchase of the land, or an interest in the land, by the corporation for the price ascertained by the constitutional method."

Important Insurance Law

IN *Chicago Fire Ins. Co. v. Newman*, 165 N. E. 554, it was disclosed that the owner of a store insured a stock of electric light fixtures, lamps and other merchandise incidental to his business, "while contained in the two-story, asbestos roof, frame building, situate No. 1200 South Eighth Street, Evansville, Indiana." A few days later a rider was attached to the policy increasing the amount of the insurance from $1,000 to $1,500, and covering "stock, furniture, and fixtures, including all property kept by the insured for sale, all while contained in the-two story, asbestos roof, frame building, *additions and extensions*, and in the yards, on platforms, sidewalks or alleys, within one hundred feet of the above described building."

The building in which the owner conducted his business was a two-story frame building with an asbestos roof.

Several days after this rider was attached to the policy the warehouse, in which the owner stored merchandise, was destroyed by fire. The insurance company attempted to avoid liability on the grounds that the warehouse was more than 100 feet from the store. However, it is interesting to observe that the Court held the insurance company liable, saying:

"Appellant [insurance company] contends that it is not liable for the loss, because the property destroyed at the time of the fire was not . . . within 100 feet of the store building described in the policy. It is to be observed that, if the property, which was destroyed by fire, had been in the alley in the rear of the warehouse and within 100 feet of the main store-room when it was destroyed by fire, there would be no question but that it would have been covered by the policy. . . . When the rider was attached to the policy covering merchandise in 'additions and extensions,' it was certainly the intention and understanding of the parties that, by the use of such words, the coverage was to be broader than the coverage of the original policy, which only insured property in the store building."

City Liable for Damage Caused by Break in Water Main

WHILE it is true that a municipality is not liable for negligence of its officials or employees who perform governmental duties, yet, as stoppage of leaks in water mains is deemed a ministerial function, a property owner whose merchandise is damaged by water leaking from city water pipes is entitled to recover compensation from the city for his losses.

For example, in *Riegel & Co. v. City of Philadelphia*, 145 Atl. 837, it was disclosed that the owner of a building containing merchandise sued the municipality for $17,128 damages sustained as a result of a water main bursting and flooding the lower floor of his building.

Evidence was introduced proving that the city waterworks' officials had been notified, several days before the time the main bursted, that water was seeping from the ground adjacent the building which was later flooded, and that the city waterworks' repair men who examined the premises failed to turn off the water until the main bursted.

In view of this testimony the higher Court held the city liable, saying:

"We are of opinion that there was sufficient notice given to the city prior to the break to put it upon investigation of all the possible sources of water leakage in the street, including the large main, to which its attention as a likely cause of the trouble was specifically directed by some of the complaints. . . . The city had ample notice that there was a leak in the street from its water system. In the light of the notices received, it was its duty to investigate all its water pipes in the street until the source was found."

Consignee Liable for Demurrage Charges

IT is important to know that where a bill of lading contains a notification obligating a consignee to pay demurrage charges, the fact that the carrier delays in demanding payment does not relieve the consignee from paying the account.

For illustration, in *United States v. American Co.*, 28 F. (2d) 140, it was shown that a bill of lading contained the following notification:

"This bill of lading is subject to all provisions of a certain charter party or freight contract under which this shipment is made, and is without prejudice thereto, and the carrier shall have a lien on the goods for all freight, primages, *demurrages*, and other charges payable under the terms of said charter party or freight contract."

The consignee accepted delivery of the shipment on Feb. 4, and nothing was said concerning demurrage charges until July 27, when the agent for the carrier addressed a letter to the consignee, requesting payment for demurrage which had accrued.

Suit was instituted against the consignee, which attempted to avoid liability on the contention that the carrier was obligated to notify the former of any demurrage charges before delivering the freight, and that the delay of almost six months from the date of delivery and notification of the demurrage charges outlawed the claim.

However, the Court held the consignee liable for the demurrage charges, saying:

"So far as the usage of the trade is concerned, if such it may be called, and assuming that it requires a notice of the lien to be given to the receiver of the cargo prior to its discharge, the stamped notations, appearing on the bills of lading, were quite enough to put respondent [consignee] upon inquiry as to what the fact was in this case."

Liability as Consignor

LEGAL EDITOR, *Distribution and Warehousing:* I have read several of your articles in the *Distribution and*

Warehousing from time to time and would like to ask a question myself.

In shipping household goods, but not other merchandise, via railroad, we show our firm name under the name of the consignor's name, as agent. Does this release us of the liability as consignor? —*Chautauqua Storage & Transfer Co.*

Answer: I am unable to answer your legal question until I receive from you an exact copy of the method in which you sign your name as agent for the owner of the goods.

Various higher Courts have decided the law on this subject and a signature as follows: "J. G. Doe, Chautauqua Storage & Transfer Co., Agent," will not relieve you from liability.

However, a signature as follows: "J. G. Doe, by Chautauqua Storage & Transfer Company, Agent for J. G. Doe" will have an entirely different legal effect.

In the latter case it is apparent that you are acting as agent for Mr. Doe, the owner of the goods, and you would be relieved from liability, unless some statute prevents relief, whereas in the former you would not be relieved because this method of signature would not indicate conclusively whether you are acting for yourself as agent for J. G. Doe, or for J. G. Doe as his agent.

Partner Liability

LEGAL EDITOR, *Distribution and Warehousing:* Is a partnership liable where one partner misappropriates goods taken from a warehouse on receipts issued to the partnership, or is the warehouseman liable?—*Ohio Warehouse Co.*

Answer: Generally speaking, any person who is intrusted with a bill of lading or warehouse receipt is deemed to be the true owner of the goods represented thereby. Moreover, a holder in good faith of a negotiable warehouse receipt possesses an absolute title to the merchandise, providing the owner of the merchandise intrusted it with the person who issued the receipt.

The fact that a partnership is liable for the acts of the partners, relieves the warehouseman from liability where, under the circumstances outlined in the foregoing, he delivers goods to one partner.

Motor Van Licenses

LEGAL EDITOR, *Distribution and Warehousing:* Kindly advise if it is necessary to have a special license or any kind of carrier's permit to have a van go from Maryland to Ohio and remove household goods from that State to the State of Maryland, or on the other hand from Maryland to Ohio.—*The Highland Storage Warehouse.*

Answer: It is not necessary for you to have a permit for this purpose. Laws of this nature are under two classifications: namely, those requiring license or permission of the Public Service Commission to use the highways; and those placing common carriers under control of the Commission.

Generally speaking, laws of the first mentioned classification are valid, 247 Pac. 801; 222 N. W. 718; 138 Atl. 29; 24 F. (2d) 226; whereas laws of the second classification are not applicable to ordinary owners of motor trucks for hire, 278 Pac. 549.

American Truck Manufacturers Oppose Free Entry of Foreign Vehicles

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Bldg.

WASHINGTON, D. C., Aug. 1.—An appeal to the Senate committee on finance to permit foreign-built heavy-duty motor trucks to enter the country duty free drew a storm of protest from domestic truck builders when representatives of the industry appeared before the Reed sub-committee of the committee on finance to ask that the present duty of 25 per cent ad valorem on trucks be retained.

J. J. Shannon, a builder of trucks in Chicago, who recently began the importation of German-built vehicles, asked that the group recommend that the foreign truck be placed on the free list. The trucks he is importing are six-wheel, 7½-ton vehicles of 110 horse-power which he claimed American truck engineers and designers were unable to match. They sell for more than $10,000 here, he said while a similar kind manufactured in the United States sells for $7,500.

He cited these facts to point out to the committee that the trucks he imported were not in competition with American-built vehicles, as they are much more expensive. He told the committee that the German trucks he imported, many of them buses, were much more efficient than the American-built vehicles of the same size, and used about one-half as much gasoline.

If trucks were placed on the free list, Mr. Shannon declared, it would tend to stimulate American engineers to build better and more modern trucks cheaper. He said the opinion was prevalent that as the United States leads the world in passenger car construction it was ahead also in the building of trucks. He told the committee that competition in truck manufacture has never been keen enough to promote the rapid strides made in the building of touring cars.

"Do you think it's right to permit a monstrous vehicle of this kind to use the roads," Senator Reed asked, upon being shown an illustration of a six-wheel bus of the kind imported by Mr. Shannon.

"Why, Senator," was the reply, "a truck of this type can haul an eight-ton load with less damage to the road than lighter loads hauled by trucks of other construction."

Mr. Shannon was the only scheduled witness, and after his testimony Senator Reed asked the heads of the industry to give their views, and Walter C. White, president of the White Company, Alfred P. Sloan, Jr., president of General Motors, and R. I. Roberge, assistant sales manager of the Ford company, appeared to contradict Mr. Shannon's views.

Mr. White lead the attack. Despite the fact that only 512 motor cars of all kinds were imported last year, and no immediate danger from foreign competition here was apparent, he said, if heavy duty trucks (those more than 1½ tons) were placed on the free list the industry would be facing a problem.

"The motor truck industry is not a mass production industry," he declared. "It is a specialty business. Continuance of the present 25 per cent ad valorem duty together with countervailing duties is essential to its continued prosperity."

Mr. White told the committee that mass production in the building of trucks was impossible because every customer had a different purpose in mind for the truck he purchased and hence nearly everyone was in need of a special design. There was no such a thing as standardization of truck designs, even for those used for the same purposes, he added.

The truck builder stressed the fact that approximately 90 per cent of all the trucks sold in America or built here for that matter were on the smaller passenger car chassis; these could be and were being standardized, but the bigger trucks were not.

With the larger trucks, Mr. White pointed out, the type of vehicle to be manufactured was determined by the use to which the customer put the vehicle and as a consequence the manufacturer of trucks and buses must design and produce that truck for that particular use.

The White Company turned out 9200 vehicles last year, the firm's head told the committee, adding:

"Motor trucks of the higher carrying capacities transporting raw material and finished products from the farm, the factory and the wholesaler to the railroad and from the railroad to the retailer and consumer are today reducing transportation and distribution costs. In considering a protective tariff for motor trucks and buses we are dealing with one of the most important transportation facilities of this country."

He told the committee in urging the tariff that the day was not far off when Europeans with everything in their favor but a home market would be serious competitors to American car builders all over the world.

It appeared altogether probable that the sub-committee would follow the recommendations of the American builders, as agaist Mr. Shannon, and recommend a duty of 10 per cent on motor cars and trucks of 1½ tons and under, and a duty of 45 per cent ad valorem on all so-called heavy-duty vehicles (those more than 1½ tons).

—*Robert C. McClellan.*

MOTOR FREIGHT
DEVELOPMENTS

FOR the busy executive of a warehousing business who is keen to keep abreast of the times there are several important new things to think about in the field of motor freight. Developments are following one another at a rapid pace, and all have a distinct bearing on the cost and opportunities of handling the hauling requirements of any warehouse business, regardless of its size. There are many advancements being made on the manufacturers' side of the industry, and some of these will be discussed in this department, which is conducted

By PHILIP L. SNIFFIN

THIS MONTH

Making Truck Cost Comparisons to Serve the Delivery Department. New Models on the Market

IN the opinion of those whose business it is to study delivery practice as it is best used today, it will be a long time before any basis is devised which will enable delivery costs to be compared from one business to another. When delivery men get together, this is the principal topic of discussion. It has long been recognized that the greatest need of modern practice is the discovery of some basis which will take into account all variations between businesses and at the same time enable some practical kind of comparison to be made.

The difficulties in arriving at such a uniform measure can be better understood by briefly referring to the questions which arise between delivery men when one or more of them place their cost figures on the board for mutual benefit. "Just where do delivery costs begin?" they ask one another. "Do you charge garage overhead into your delivery costs?" "What employees are charged to your delivery?"

The answers to such questions as these vary almost as greatly as the number of concerns involved. Here is a delivery superintendent of a department store for instance, whose system does not charge parcel post to the delivery, but, nevertheless, he takes credit in his number of packages delivered for all the packages and loudly proclaims that his "per package delivery cost" is seven, eight, or nine cents. The chap whose monthly reports back home show his costs to be around twelve to fifteen cents hangs his head in shame and remains silent. Where, he asks, do delivery costs begin? Do they begin at the curb, or at the internal delivery, or at the counter?

Then here is another man who probably proclaims that his delivery costs are one tenth of one per cent of the business. Just what does this mean? Is net sales the proper figures on which to base delivery costs? Where is this man's business located and what are the topographical conditions under which he operates? Is it a high-class, medium-priced, or low-priced trade? Does he have to make one or two deliveries a day? What percentage of bulk sales are included, or has he gently disregarded his bulk deliveries and quotes us only certain kinds of costs?

All of these questions indicate that the crying need in delivery accounting, considered as of the industry as a whole, is a standardization which will take into account the different factors and conditions which enter into the problem in different cities and among different concerns. Until such a standardization is obtained, it is foolhardy to attempt to make such comparisons. The cost figures of one concern mean nothing to another concern and, in fact, may do more harm than good to the firm which attempts to use them as an indication of what such service should cost.

For the time being, the wise delivery executive will keep his own figures, watch them closely, cut down where he can, and save time and worry by disregarding the figures of other concerns no matter how nearly they seem to approach his own operating conditions. The big opportunity before him now, as no symposium or general comparison can be of value, is to watch his own costs, split them up so that he may intelligently control them, devise some "cost per unit of delivery" basis, stick to the same method of computing that basis, and then try to improve that figure as best as he may from one period to another.

Knowing the Real Costs

THIS question of the delivery superintendent knowing his costs is another subject for discussion. At a meeting of delivery men some time ago a show of hands indicated that only seven out of about 125 men present received detailed monthly statements of the operating costs of their departments. How can they be expected to improve conditions under such an arrangement?

The opportunities which are available to the truck user who knows his costs, and who splits them up properly among the departments using the service, can be illustrated by an example of a concern which has actually made its fleet show a profit year after year.

The fleet of trucks owned by this company furnishes motor transportation to the various departments of the company on a flat rate basis. The fleet has consistently shown a substantial profit despite the fact that prices charged the departments have been materially reduced in the past four years.

No favors are shown the fleet in fixing prices and in some instances the rates agreed upon are lower than actual bids of outside haulers. The reduction in hauling cost and the profit shown by the fleet represent savings over earlier fleet expenses.

More efficient use of trucks brought about by a careful study of the transportation needs of the company, promo-

This van, recently added to the fleet of the Rucker Bonded Warehouse Corporation, Greensboro, N. C., has a 3-ton G. M. C. chassis. The body, designed and built for the Rucker firm by the Carolina Body Co. of Greensboro, is of white ash frame covered with Ply-Metl panels. The cubic capacity is 1060 cu. ft.

tion of good will of drivers and garage personnel, and reduction of maintenance cost, are among the factors which have contributed to the showing.

Prices charged for the use of trucks are based on time or mileage, according to the service rendered. Trucks rated at 1½ tons are billed to the department using them at $1.35 an hour, 2½-ton units at $1.50 an hour, and 3½-ton for $1.60 an hour. Ford passenger cars used by the sales department are charged at rate of $75 a month, and 1-ton trucks cost the departments using them $125 a month.

The amount charged the various departments represents the whole income of the fleet; and maintenance, gas, oil, rent of garage, taxes, insurance, depreciation are among the expenses paid by the fleet from this income.

Drivers' wages are charged directly to the department responsible for their employment and are not included in the charge for the use of trucks.

The fleet comprises 173 units of which 110 are used for city service, 21 for rural delivery and 42 are owned by a subsidiary company. The volume of business charged by the fleet may be judged by a total of 69,636 miles billed in a recent month, exclusive of the operation of the 42 trucks last mentioned.

Improvement of the conditions under which the fleet was operated and maintained started some five years ago. At that time trucks were repaired by an outside agency, there were practically no records of individual trucks, and the policy of charging departments their proportionate share of the motor transportation account was not well defined.

The delivery superintendent advocated the setting up of maintenance facilities and the keeping of records of each truck, although complete maintenance was not undertaken at the time the general idea was accepted by the company.

The first step in keeping records was the listing of engine and chassis numbers and the name of the branch to which each truck was assigned. This work has been carried on until the delivery superintendent has now a complete history of each truck, with note of the extent of the cost of all repair work.

Then it was decided that each department would be billed with the account of motor transportation it used and the rates were based on costs at the time. It was obvious that a showing by the fleet could be made by more efficient operation and reduction in the cost of maintenance.

Illustrative of the savings brought about is the use of one heavy duty truck to replace two or three formerly required for hauling to Covington, Ky. The distance is short and it was found that one truck carrying a heavy load and running slow could do the work at much less cost than the trucks formerly used.

Hauling from the warehouse to a branch office furnished another opportunity to demonstrate the value to the company of a well-managed fleet. The branch manager secured a bid from a contract hauler which he considered a very fair figure. Asked his opinion of the bid, the delivery superintendent said he would do the work for half this price. The latter figure showed a profit not because the contract hauler's estimate was too high, but because a company truck was making a return trip empty each day on which the load could bbe hauled without any extra mileage—a fact which the branch manager did not know.

Saving in the cost of maintenance and building up good will of drivers were two problems to which the garage manager devoted his attention. Heavy-duty trucks are checked once a week, usually on the driver's day off. In case any trouble is discovered which cannot be repaired in one day, a substitute truck is assigned to the run the next day. The one-ton trucks are brought into the shop once a month. Sixteen men comprise the garage personnel.

Work performed on trucks on the "shop day" is recorded on a printed form designated "Truck Inspection and Work Report." The parts of the chassis are listed and the need for work noted by the inspector. The parts used, number of hours of labor, and signature of mechanic doing the work are noted on the back of the form.

Spare units are kept in stock for quick replacement; these include one engine for 1½-ton trucks, one for 2½-ton units and two Ford engines in addition to wheels, axles and transmissions.

The year 1926 was the first during which the shop performed all of the maintenance, including complete overhauling. Comparative figures for transportation charged to departments and cost of operation and maintenance for the months of January, 1926 and 1927, show the benefits of the present policy. In January of 1926, charges to departments—in other words, the income of the fleet—amounted to $9,151.90, and the cost was $10,372.08; a loss of $1,221.18. A profit of $3,424 was shown in January of 1927, when the charges totaled $11,784 and cost dropped to $8,260.

This illustration shows what can be done by careful application of study to the figures of a concern's own delivery department, without the aid of outside comparisons. It is a fact of considerable importance that comparisons within an organization permit greater results than attempts to judge by the figures of another concern's experience.

Considering Truck Overhead

In any business, the problem of keeping overhead to a satisfactory minimum consists largely of these two things:

1. To charge each department and each overhead account directly and accurately for each item of service represented in the total.

2. To establish some basis of comparison or index which will help determine to what extent the cost of this service pays its way.

These two processes are, in fact, absolutely essential parts of accounting practice in any business which aims to keep overhead down and to make each item of overhead pay its own way. They apply most significantly to the truck cost account and provide the means for making delivery expense stand on its own.

Splitting Up Truck Costs

DELIVERY executives today—those who are making scientific studies of truck use—are looking at the delivery subject as "a business within a business."

While it is perhaps easier from an accounting standpoint to throw fleet expense into the overhead and distribute it arbitrarily, the accuracy of the results obtained in this manner is questionable. Obviously, a basis of expense distribution which may be accurate for such overhead items as rent, heat, general administrative costs, etc., is not nec-

essarily an accurate basis for allocating transportation expense. This fact is gaining more general recognition and it is becoming increasingly common to find, where the fleet provides transportation service for several different departments, that each department is charged directly for truck delivery and in proportion to the service it receives.

From the standpoint of the management of the business as a whole, charging each department directly for the use it makes of the fleet has the very important advantage of providing a picture of the cost of operating each division of the enterprise. This, of course, means that the weakness of one department or the strength of another is not hidden by including, in the arbitrarily distributed overhead, fleet expenses that can be allocated directly. Naturally, the direct distribution of fleet expense places the management in a better position to control operations and to make plans for the future.

The transportation department also benefits greatly, as this method of expense distribution gives it the status of a separate business within the main enterprise. Analysis of cost records provides a basis for charging the various departments. The credits offsetting these charges on the books represent fleet income. As a result, a fund is created out of which the fleet must pay its own expenses, any credit balance remaining, after all costs have been covered, being "profit."

The natural tendency is for the fleet management to endeavor to show as large profits as are consistent with good service and, of course, this means that there is a constant urge to reduce costs. Naturally this suits the executive of the business, as it means a bigger net for the business as a whole and at the same time it provides him with a yardstick to use in measuring the accomplishments of the fleet superintendent.

Some additional paper work and perhaps some changes in the record keeping are necessary to the inauguration of this plan of expense distribution, as provision must be made for measuring the service rendered each department. This may not be an easy thing to do but any resulting increase in clerical expense ordinarily is found to be more than absorbed by other savings incidental to the plan.

Jersey Firm Has New Van With Met-L-Wood Paneling

J. H. Nyenhouse of Paterson, N. J. has built for the Safety Storage Co. of that city a furniture van with a Met-L-Wood body paneling combining resistance to impact with light weight and great strength.

A feature of the design is a departure from the usual belt-molding method of soldering panel joints. In this job no molding is necessary to cover any joint, leaving the van's sides as smooth as glass. This allows unobstructed space on which to carry an advertising message.

A PUBLICITY and advertising campaign conducted by the Spokane Transfer & Storage Co., Spokane, involved the use, pictorially and in text, of the features of the motor truck herewith illustrated. The idea was unusual and should be of interest to warehouse executives operating vans.

W. B. Fohlin, the company's secretary, obtained the Spokane Advertising Club's permission to make use of the copyrighted name and picture "Miss Spokane" which the city uses to advertise the city in magazines with a national circulation. This is emblazoned on the van's sides.

In the local newspaper advertising, Mr. Fohlin arranged for the cooperation of the makers of the various parts of the truck. The chassis is of Fageol production, and the local Fageol Motor Sales Co. told its story of its passenger coach chassis being specially constructed for the "Miss Spokane" body. The latter, with Met-L wood panels over hardwood frame, was made locally by the Novelty Carriage Works, which participated in the advertising. The "Associated" brand of gas is used as fuel, and local service stations handling this gas contributed. So it was with the Novelty Auto Paint Shop, which supplied "Lavax", the lacquer-enamel used for the finishing; the local dealers handling Samson tires; and Noble & Son, the local clothing firm which supplied the uniforms and caps worn by the van's crew.

Recent Models

ATTERBURY MOTOR CAR CO., Buffalo: A new series of 2½, 3 and 4-ton capacities is known as the Marathon Sixes. The two lighter models are equipped with Lockheed 4-wheel hydraulic brakes, while the 4-ton is furnished with mechanical rear-wheel brakes. Heavy-duty pneumatic tires are standard equipment with dual rear wheels.

Dodge Brothers, Detroit: Now being produced is the lowest priced 1-ton truck in this company's history. The chassis lists at $745. This new 4-cylinder model has a 4-speed transmission, 4-wheel hydraulic brakes and a 133-inch wheelbase with 8-foot bodies. The price ranges are as follows:

Chassis only, $745; chassis and cab, $890; with platform body, $955; farm, $985; stake, $1,000; express, $1,007.50; canopy express, $1,032.50; panel delivery and screen express, $1,057.50 each.

At the same time the wheelbase of the Dodge 6-cylinder unit has been increased to 133 inches and the prices have been reduced and are now exactly $100 more, in each instance, than the foregoing prices of the 4-cylinder.

Federal Motor Truck Co., Detroit: A 6-cylinder job of 4-ton capacity is now on the production line. Called the Big Six, it is intended for work requiring high speed for both local and long distance trips. It has 4-wheel internal hydraulic brakes and a 7-speed transmission. A Federal Comfort Cab is available as well as a new design known as the Sleeper Cab; the latter affords ample space for a berth without taking up much pay-load space.

Gramm Motors, Inc., Toledo: A complete line of new 6-cylinder vehicles has been introduced, in capacities of 1½, 2, 2½ and 3 tons. Each has 4-wheel brakes and 2 4-speed transmission. The 1½-ton, listed at $1,395, has wheelbases of 140 and 157 inches. Tires are 30 x 5-6 ply front and rear, duals rear, pneumatic and cord non-skid. The 2-ton, listed at $1,795, has wheelbases of 160 and 175 inches. Tires are 32 x 6-8 ply front and rear, duals rear, pneumatic cord non-skid. The 2½-ton, listed at $1,995, has wheelbases of 160 and 175 inches. Tires are 32 x 6-10 ply front and rear, duals rear, pneumatic cord non-skid. The 3-ton, listed at $2,795, has wheelbases of 150, 164 and 190 inches. Tires on one model, E, are 34 x 7 pneumatic fronts and 34 x 7 dual pneumatic rears; and on the other model, EY, are 32 x 6-10 ply heavy-duty pneumatic single front, dual rear. Wheels of the three smallest models are cast spoke; on the 4-ton they are metal, spoke type, for Model E, and Budd Michelin disk type dual rear for Model EY. The load allowances of the four sizes, including body, load and accessories, are respectively, 4500, 5750, 7000 and 8000 pounds.

Hahn Motor Truck Corp., Allentown, Pa.: A new line is offered comprising seven models, all equipped with 6-cylinder engines, pneumatic tires and hydraulic 4-wheel brakes. Coverage of capacity ranges from 1500 pounds to 5 tons, the gross weight range being from 6000 to 20,000 pounds. To meet all requirements, there are options on many items, including wheelbases and tire equipment. Chassis list prices, tonnage rating capa-

cities and standard wheelbases are as follows:

Model 7-H, $1,098, ¾-1-ton, 124 inches. Model 17-H, $1,430, 1-1½-ton, 142 inches. Model 37-H, $1,950, 2-2½-ton, 153, 164 and 183 inches. Model 39-H, $2,898, 2½-3-ton, 164, 177 and 190½ inches. Model 47-HB, $3,700, 3-3½-ton, 151, 164 and 184 inches. Model 47-HD, $3,900, 3½-4-ton, 151, 164 and 184 inches. Model 67-H, $4,950, 4-5-ton, 151, 164, 184 and 198 inches.

Hudson Motor Car Co., Detroit: has entered the light truck field with a ¾-ton commercial car, called the Dover, in four body types. The chassis list price is $595. Prices of the complete vehicles are $835 for the open express, $870 for the canopy express, $885 for the canopy screen express and $895 for the panel express. The Dover is featured by a 6-cylinder, relatively high-speed engine. Exteriors follow the general lines of the Hudson and Essex passenger cars. The wheelbase is 110½ inches. Brakes are 4-wheel. Tires are balloon—30 x 5.00 front and 31 x 5.50 rear.

National Motors Manufacturing Co., Irvington, N. J.: The entire line of 1929 Day-Elder super-service sixes has been redesigned from the standpoint of appearance, construction and performance. Appearance has been enhanced by streamlining and remodeling the radiator, hood, cowl, fenders and runningboards. Hoods are longer, and the easy downward sweep of the fenders to runningboards creates the impression of length. Cabs are of the full-vision type with narrow posts and sloping one-piece windshields. Seat cushions, back rests and adjustable steering gear have been designed to afford maximum driver comfort. Instrument panels on the dash are within easy reach of the driver and are illuminated by concealed lights.

Republic Motor Truck Co., Alma, Mich.: Five new models are on a straight rating basis, have four or more speed transmissions, provision for power take-off, 4-wheel brakes on all except the largest, 6-cylinder engines throughout, and optional wheelbases on all except one. Specifications include:

Model C-1, chassis weight 3300 pounds, wheelbase 144 inches, tires 32 x 6.00 front and 32 x 6 rear, single. Model F-1, chassis weight 4600 pounds, wheelbases 143⅝, 155⅝ and 168¼ inches, tires 32 x 6 front and rear, dual. Model H-1, chassis weight 5700 pounds, wheelbases 150¾, 163¾ and 179¼ inches, tires 34 x 7 front and rear, dual. Model L-1, chassis weight 6400 pounds, wheelbases 179¼ and 200¼ inches, tires 36 x 8 front and rear, dual. Model M-1, chassis weight 6600 pounds, wheelbases 171, 191¼ and 160⅝ inches, tires 36 x 8 front and rear, dual.

Stewart Motor Corp., Buffalo: Announcement is made of two models of 1½ and 2-tons capacity, together with a custom de luxe panel body for its ¾ to 1¼-ton models. Both the newcomers carry 6-cylinder engines and 4-speed transmissions and 4-wheel brakes. The 1½-ton has a standard wheelbase of 136 inches, weighs 3680 pounds and sells at $1,495. The 2-ton chassis has a standard wheelbase of 145 inches, weighs 4188 pounds and sells at $1,685.

Studebaker Corp., South Bend, Ind.: A 1-ton, 146-inch wheelbase truck chassis powered with a 6-cylinder engine and priced at $1,095 is announced. Panel or screen bodies in two capacities are available. One is 8 feet long with 155.3 cubic inches of loading space, listing at $1,525, and the other is 9 feet long and provides 181.3 cubic feet and lists at $1,575. Four-wheel mechanically operated Bendix brakes and a 4-speed transmission are features. Tires are 30 x 5 inches.

Thorne Motor Co., Chicago: A gas-electric commercial vehicle for house-to-house delivery has been placed on the market. It has a wheelbase of 98 inches and is provided with a panel body. The maximum payload capacity is 3000 pounds. Chassis with body weighs 4000 pounds. The body panels are made of Ply-Metl.

Willys-Overland Co., Toledo: A line of Whippet-engined commercial cars is announced. Model 96-A, a ½-ton, priced at $380, has a chassis weight of 1659 pounds, a wheelbase of 104¼ inches, and tires are 28 x 4.75 B. Model C-101, a 1½-ton, priced at $645, has a chassis weight of 2540 pounds, a wheelbase of 131 inches, and tires 30 x 5. The 1½-ton is featured by a 4-speed transmission, 4-wheel brakes, and a low frame height, at rear, of 24⅝ inches, and a 6-cylinder engine. The ½-ton is a 4-cylinder.

Ohio Haulers Oppose Filing of Tariffs

OBJECTION is being made by the Ohio Association of Commercial Haulers against the recently promulgated ruling of the Ohio State Utilities Commission compelling all certificated commercial haulers to file their tariffs with the Commission.

The association will discuss the problem at a special midsummer meeting to be held at the Deshler-Wallick Hotel in Columbus on Sept. 11.

Other topics will be the new laws governing the operation of commercial vehicles as enacted at the last session of the Ohio legislature and the new rules and regulations promulgated by the Ohio Utilities Commission. These are similar in some respect to the former code, but a number of important changes have been made, especially along the line of the regulation of weights of trucks and loads and the care of brakes, etc.

The new code is the result of a number of conferences on the part of members of the association with the Commission.

Fruehauf Election

At a recent meeting of the board of directors of the Fruehauf Trailer Co., Detroit, August C. Fruehauf was elevated to the chairmanship of the board.

Harvey C. Fruehauf was elected president; Harry R. Fruehauf, vice-president and director of purchases; Earl L. Vosler, vice-president and treasurer; G. W. Chamberlin, vice-president and director of sales; and Roy W. Jacobs, secretary and assistant treasurer.

Aluminum Bodies and Pay Loads

THE gross weight of motor vehicles which may be operated on the highways of the several states is limited by legislation. A maximum allowable pay load therefore depends on the tare weight of chassis and body as well as on the capabilities of the chassis.

Moving vans must be large, and if steel, or steel and wood, are used in the construction of the body, much of the useful weight of the truck is wasted, according to the Aluminum Company of America, whereas "the use of aluminum alloys in body construction will materially decrease the weight of the body and allow for a greater pay load per cubic foot capacity."

One moving and storage firm, according to the Aluminum Company, has been able to increase the pay load of its moving vans 2000 pounds "by replacing the heavy steel bodies with bodies made from the light aluminum alloys." These vans had a capacity of 800 cubic feet each, and "this means an increase in pay load of 2.2 pounds per cubic foot."

A trucking concern, it is stated, increased the pay load of its trucks more than 1400 pounds by the use of aluminum bodies and by so doing "was able to gain the equivalent of one pay load in ten." The Aluminum Company adds:

"In both cases the initial cost of the vans was greater than they would have been had steel been used. The additional investment, however, was more than offset by the performance of the bodies.

"The average weight-saving in body construction is not only realized in increasing the pay load, but also while the truck is traveling light, or with the same pay load it is capable of carrying with a steel body. In the latter cases, improved schedules may be maintained due to the quicker acceleration and higher speeds which are possible. The fuel consumption and wear and tear on the chassis will also be lessened.

"The majority of trucks are painted to carry out some color scheme which was devised when steel or wooden bodies are used. It is not necessary to paint aluminum, however, as they will not rust or rot. This feature should appeal to the truck owner who realizes the commercial value of good appearance in his equipment. The fact that aluminum maintains a pleasing appearance without the necessity of painting removes this item from the cost of maintenance.

"The residual value of a steel body at the end of its period of usefulness is practically negligible. The scrap value of an aluminum body is several hundred dollars."

A van body built of aluminum is illustrated on page 21.

State Legislatures Enact Many Laws Affecting Trucks

WITH the Legislatures of all States except Alabama and Kentucky and Virginia holding regular or special sessions this year, approximately 3500 bills have been introduced thus far which, through the enactment of some, affect the automotive industry and, directly or indirectly, warehouse operators owning truck fleets.

Particularly pertinent are certain provisions of the financial responsibility laws of New York and New Jersey.

The New Jersey statute, according to the national Motor Vehicle Conference Committee, provides that the State's motor vehicle commissioner may require proof of financial responsibility from any person—

"1. Who is convicted of violating certain sections of the traffic and motor vehicle law.

"2. Who, while operating a motor vehicle is 'concerned' in any motor vehicle accident resulting in (a) personal injury to or death of any person or (b) property damage amounting to $100 or more.

"3. In whose name such vehicle is registered.

"4. Both the owner and the person mentioned in 1 and 2.

"5. Whose license is suspended or revoked in any other State."

Under the heading of 1, above, there are about seventy-five instances in which conviction, whether or not an accident is involved, will necessitate the furnishing of proof of financial responsibility up to $5,000 available in the event of injury to or death of any one person and $10,000 in case of injury to or death of more than one person in one accident, and of $1,000 for any property damage. The New Jersey law will become effective on Nov. 15.

The New York statute, in effect Sept. 1, provides that the State's motor vehicle commissioner may require proof of financial responsibility from any person for the following reasons:

"1. Conviction of reckless driving where personal injury or property damage has resulted.

"2. Conviction of driving at an excessive rate of speed where personal injury or property damage has resulted.

"3. Operating a motor vehicle without an operator's license.

"4. Operating a motor vehicle while in an intoxicated condition.

"5. Leaving the scene of an accident without complying with the provisions of the vehicle and traffic laws.

"6. Committing an offense in any other State which, if committed in this State, would violate the provisions of this law.

"7. Failure to satisfy a judgment for property damage in excess of $100, or for personal injury or death resulting from the ownership or operation of a motor vehicle."

Forms of the financial responsibility law have been effective in Maine, New Hampshire, Vermont and Rhode Island for less than two years. Rhode Island this year put more "teeth" in its statute by amending it to include more violations upon conviction of which proof of financial responsibility may be required of a person. Maine added a law to suspend the license of a driver until he has paid the amount of a judgment rendered against him as a consequence of a motor vehicle accident which resulted in injury to or death of a person or persons, or damage to property. The law became effective July 13, while a similar one enacted in Iowa has been in force since July 4.

North Dakota has had in effect since July 1 a form of financial responsibility law which stipulates that when an operator of a motor vehicle is convicted of reckless driving, driving while under the influence of intoxicating liquor or of narcotic drugs, or leaving the scene of an accident without stopping, he shall put up a $2,000 personal or surety bond for a period of two years. This is required upon conviction for any one of the three offenses named and after each succeeding conviction. If within two years after conviction the convicted person shall by reason of negligent driving of a motor vehicle cause injury to or the death of any person or damage to property, the statute requires that he shall pay or cause to be paid all claims.

No State has adopted a compensation insurance plan, although it has been considered. Under that plan, a special board, somewhat similar to a workmen's compensation board, would be set up. It would compensate persons injured in automobile accidents at a given rate regardless of who was at fault. To sue for damages, the injured person would have to waive the compensation. The plan would be financed with fees paid at the time motor vehicles were registered.

No State has established State fund insurance, which is another conception of liability insurance differing from the compensation plan in that the set amounts paid in by automobile owners would not be disbursed as compensation but to satisfy court judgments rendered in damage suits brought as a result of automobile accidents.

Every State now has a tax on gasoline and in 19 States it has been increased this year as a result of the enactment of legislation. New York passed its first gasoline levy, imposing a tax of two cents a gallon. A three-cent impost was made effective in Illinois, where the gasoline tax law enacted in 1927 was declared unconstitutional and eliminated in 1928 by the Supreme Court of that State because of a defect in the drafting of the measure.

The maximum gasoline tax levied was imposed in South Carolina and Florida, where 6 cents of the price of every gallon is collected for those States. South Carolina was the first to exceed the 5-cent limit by levying the 6-cent tax, increasing it to that amount from 5 cents. Florida followed by increasing its tax from 5 to 6 cents. Other States which increased their gasoline taxes, and the

(Concluded on page 44)

Motor Freight Lines Are Establishing Warehouses

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
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WASHINGTON, D. C., Aug. 5.—The possible effects on railroad revenues in Western Trunk Line territory from motor truck competition, which may result from proposed increases in class rates in that section recommended to the Interstate Commerce Commission by Examiners William J. Koebel and Peter C. Paulson, are discussed by the examiners in the report.

"Some common carriers by motor truck have established warehouses for the receipt and delivery of freight in small lots, much like railroads," says the report, "but for the most part they afford a pick-up and delivery service that has proved satisfactory. Their rates vary, but are usually made with relation to the rail rates, sometimes with addition of a pick-up charge.

"Data are not available of the volume of tonnage moved by motor trucks, but it seems to be considerable and constantly increasing. Serious inroads are no doubt being made on less-than-carload tonnage that would ordinarily be transported by railroads, especially for distances up to 75 miles, and even to 100 and 150 miles.

"Common carriers by motor truck are firmly established and are here to stay. There is so wide a difference between the nature of the service offered by motor trucks and railroads that in many instances no conceivable rail rate could be so low as to attract an appreciable volume of business from the trucks.

"While some consideration has been given to motor truck competition it is not within the province of this Commission, or in the interest of the public, to prescribe rail rates unduly low for short hauls solely for the purpose of eliminating that competition."

While the Examiners' recommendations would effect many reductions in the present rates, increases would predominate. Approval of these recommendations by the Interstate Commerce Commission would have a widespread effect in the territory involved. The basis for the proposed new rates is designed with relation to adjustments in adjoining territories, but it is also intended to give Western Trunk Line railroads some additional revenues, which the Examiners believe their present financial condition warrants.

—*Michael M. McNamee, Jr.*

(See story beginning on page 7)

Adams's Brother a Pulitzer Prize Winner

Paul Scott Mowrer, who recently won the 1928 Pulitzer prize for the best piece of news correspondence, is a brother-in-law of D. S. Adams, vice-president of the Adams Transfer & Storage Co., Kansas City. He is the husband of Mr. Adams' only sister. Mr. Mowrer is European correspondent of the Chicago *Daily News*.

State Legislatures Enact Many Laws Affecting Trucks

(Concluded from page 43)

amounts, were: Colorado, 3 to 4 cents; Indiana, 3 to 4; Maine, 4 to 5; Minnesota, 2 to 3; Montana, 3 to 5; Kansas, 2 to 3; Nebraska, 2 to 4; North Carolina, 4 to 5; North Dakota, 2 to 3; Ohio, 3 to 4; Oklahoma, 3 to 4; Oregon, 3 to 4; Pennsylvania, 3 to 4; Vermont, 3 to 4; Tennessee, 3 to 5; Washington, 2 to 3, and Wyoming, 3 to 4.

There has been no marked tendency to reduce registration fees to compensate for the increases in gasoline taxes. South Dakota passed what has proved to be an unpopular registry tax which must be paid in addition to registration fees and gasoline and personal property taxes. It necessitates the payment upon registration of a new car of 3 per cent of its f.o.b. price the first year, 3 per cent of 75 per cent of the f.o.b. price the second year, 3 per cent of 50 per cent of the f.o.b. price the third year, and in subsequent years 3 per cent of 25 per cent of the f.o.b. price.

Raising registration fees for solid tire trucks has been one means adopted by legislators to terminate the use on the public highways of vehicles with that type of wheels. Another expedient that is coming into vogue in that connection is prohibiting the use of solid tire vehicles upon the highways. Oregon passed a statute reducing the gross weight that a solid tire truck may carry after Jan. 1, 1930, to 18,000 lb., and prohibiting their use in that State after July 1, 1931, except in the construction or maintenance of highways or for the transportation of county equipment.

Marked favor is being shown six-wheel commercial units by way of increasing the gross weight one of those vehicles may carry. For such a vehicle, Pennsylvania allows a gross weight of 36,000 lb., New Mexico, 26,400; Nevada, 35,000; Delaware, 36,000; Washington, 34,000; Kansas, 34,000; and Idaho, 40,000. Connecticut permits the carrying of 30,000 lb. gross weight on vehicles equipped with pneumatic tires and 26,000 lb. on those having solid tires, and Ohio allows 24,000 lb. gross weight on pneumatic tires and 20,000 lb. on solid tires. Pennsylvania and Washington have included in their laws definite specifications with which all cushion tires used on the highways of those States must comply. Pennsylvania also has in its code new regulations for tractors and trailers with a special section relative to weights and registration and registration fees. There has been a tendency to permit trucks equipped with pneumatic tires to travel faster.

Speed limits now have been eliminated in the open country in Michigan, Kansas and Connecticut. Michigan and Connecticut took the lead, in that order, in 1927. Statutes pertaining to heedless and reckless driving have taken the place of speed limit laws in those States. Where speed limits have been retained in the open country, they generally have been raised to 40 or 45 miles an hour.

Comparatively few statutes were passed to increase safety on the highways. Minor changes were made in many instances to increase the penalties for certain transgressions committed on the road. Noteworthy statutes were enacted though, for instance, to prohibit reckless driving. There were numerous instances where precautionary laws were passed, such as those requiring vehicles to stop when they come upon a bus taking on or unloading school children, and that school buses shall stop before crossing railroad tracks. No outstanding legislation was written, however, for the elimination of grade crossings. Maryland, Massachusetts and Pennsylvania passed laws authorizing their State commissioners of motor vehicles to designate periods for the inspection of lights, brakes and steering mechanisms. Nebraska and Indiana enacted measures making drivers' licenses unnecessary.

Texas Motor Freight Lines Now Under Commission Control

A law enacted recently in Texas places motor freight lines under the supervision of the State's Railroad Commission. By early in August more than fifty permits had been issued to lines radiating from various cities. Some of these are being operated by warehouse companies.

These include the Kenkendall Transfer & Storage Co., Lamesa—between Lubbock and Lamesa by way of Tahoka and O'Donnell; the Johnson Storage & Distributing Co., Fort Worth—from Fort Worth to Dallas, and from Fort Worth to Rising Star by way of Stevenville, Comanche, De Leon, Brownwood and Coleman; the Wiley & Nicholls, Galveston—from Galveston to Houston by way of Webster; the J. C. Netzer Co., Laredo—from Laredo to Corpus Christi by way of Hebronville, San Diego and Alice, and from Laredo to Crystal City by way of Artesia and Carrizo Springs; the Binyon-O'Keefe Fireproof Storage Co., Fort Worth—from Fort Worth to Dallas; the Sproles Transfer & Storage Co., Fort Worth—from Dallas to Vernon by way of Fort Worth, Decatur and Wichita Falls, and from Fort Worth to Graham by way of Decatur; the A. B. C. Storage & Moving Co., Inc., Houston—from Houston to San Antonio by way of Gonzales, Schulenburg, Eagle Lake, East Bernard and Richmond; and the Merchants Fast Motor Lines, Inc., Fort Worth—to various points.

Westheimer Fleet Motorized

With the purchase of a $9,000 specially-equipped van for long distance work, the Westheimer Transfer & Storage Co., Houston, has now motorized its entire fleet with the exception of one horse-drawn vehicle driven by an old Negro who has been with the firm thirty-five years.

Officers of the firm figure that one truck brings in the same revenue as four teams.

Motor "Tag" War Ends in Four Central West States

Reciprocal license tax laws are now in effect in Missouri, Oklahoma, Kansas and Arkansas. Following enactment of such legislation by Missouri, new statutes went into effect in Kansas and Arkansas in August and a similar law has become effective in Oklahoma, thus ending a "tag war" which had been fought for several years.

In 1925 the Oklahoma Legislature passed a law requiring all commercial motor vehicles entering Oklahoma from other States to pay license fees. The Chamber of Commerce in Joplin, Mo., engaged attorneys and carried the situation to the Oklahoma courts, which declared the statute invalid, whereafter the Oklahoma Legislature, in 1927, passed a new law which corrected the clauses which had been declared invalid.

State secretaries, highway officers and business representatives of the four States involved subsequently held a conference and the groundwork was laid for the reciprocal laws now in effect.

"By these reciprocal laws," according to James A. Gibson, secretary of the Joplin Chamber of Commerce, "each State imposes a license tax on automobiles but excepts cars which, coming from other States, have paid licenses in their home States."

Ohio Motor Equipment Show Next January

THE big feature of the annual meeting of the Ohio Association of Commercial Haulers, to be held in Cleveland on Jan. 30 and 31, 1930, will be an exhibit of commercial vehicle equipment of all kinds, it is announced by Frank E. Kirby, Columbus, the association's manager.

A combination arrangement has been worked out between the association and the Cleveland Automobile Show promoters for the display, which will be a component part of the annual Cleveland Show, to be staged in the Cleveland Public Auditorium on Jan. 25 to Feb. 1. This arrangement will give the motor truckers of Ohio the combined advantage of the show and the annual convention, both of which will be held in the same building.

Plans are being made for a meeting of the secretaries, managers and presidents of the various State organizations of truckers or haulers, in conjunction with the convention.

Wittichen Heads Boys Club

Carl F. Wittichen, president of the Wittichen Transfer & Warehouse Co., Birmingham, and Alabama Transfer & Warehousemen's Association, has been elected president of the Birmingham Boys Club. He has been for years actively interested in the development of the organization and was one of the Kiwanis Club's leading campaigners in the raising of $75,000 for the construction of the building which the Boys Club occupies.

Carriers' "Constructive Station" Service in New York Is Disapproved by I. C. C.

Actual Inland Stations, However, Are Endorsed as Being Practicable and Legal

By MICHAEL M. MCNAMEE

DISTRIBUTION AND WAREHOUSING'S
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WASHINGTON, D. C., Aug. 16.—The Interstate Commerce Commission has placed the stamp of its disapproval on the railroad practice of employing so-called "constructive-station service" and trucking in lieu of lighterage on Manhattan Island, N. Y. The chief railroads involved are the New York Central, Baltimore & Ohio and the Central Railroad of New Jersey.

The Commission ruled that constructive freight stations and trucking in lieu of lighterage cannot be sanctioned because of their "plain tendency to create violations of the Interstate Commerce Act" by giving preferential service to some shippers and denying it to others.

The decision upheld the recommendations of Examiner Harry C. Ames, that "the present use of motor trucks by the railroads in the delivery of freight by the use of the so-called constructive station in lieu of lighterage is illegal and should be stopped."

Examiner Ames' findings that the inland stations maintained on Manhattan Island by some of the railroads "are both practicable and legal" and should be extended, were also supported by the Commission.

"A constructive station," said the Commission's report, "is an incorporeal point reached by motor truck and placed so as to conveniently conclude the carriers' tariff obligation, which is made to extend beyond its railroad and to afford a direct movement to and from the shipper's store door without the necessity of unloading the truck en route.

"It is the one way of meeting situations like those at New York, where the ordinary rails of a carrier stop short of the destination to which it holds itself out to carry and it becomes necessary to continue the movement by other means.

"In the constructive-station practice the carrier simply substitutes the motor truck for the car float and employs the truckman as its agent to complete the transportation contract. Its rates being published to New York, the constructive station is located at the first point of contact with New York and up to that point the carrier is responsible for the goods and the truckman acts as its agent.

"The point becomes a 'constructive' station through the fact that the loaded truck continues right on to the store door, without unloading, and for the haul beyond the constructive station the truckman acts as the agent for and is paid by the consignee. It is, in reality, a modified form of store-door delivery, the only difference being that in the latter the carrier assumes responsibility to the store door whereas in the former the responsibility is divided and the dividing line becomes the 'station.' It might properly be considered a constructive 'service' and in that sense the absence of a physical station becomes less confusing. Notices of arrival are mailed from the Jersey side and the truckman collects the freight charges."

The Commission's decision, banning the use of such services, follows an exhaustive investigation into the entire trucking situation in the New York District.

AT the inception of its investigation the Commission devoted itself to inquiring into the practices of carriers serving Manhattan Island, in the collection, delivery, transfer, or other handling of freight to or through constructive and off-track stations through the medium oi motor trucks or other vehicles operated over streets and highways. Subsequently, the scope of the inquiry was broadened to include all auxiliary trucking services, more especially the so-called practice of trucking in lieu of lighterage, to, from, or between "stations and lighterage points within the lighterage limits of New York Harbor as defined in the tariffs of the respective carriers."

The presiding Examiner summed up the scope of the investigation as an "inquiry into the conditions affecting generally the receipt and delivery of freight at New York, with special reference to the necessity for any trucking service as an auxiliary to rail transportation.

The Warehousemen's Association of the Port of New York favored the continuance of free lighterage and condemned the substitution of trucking service in the manner now practiced by the New York Central, Jersey Central, and the Baltimore & Ohio. It opposed the establishment of any service which would jeopardize the contract terminals in Brooklyn, and doubts the necessity of either constructive or inland stations.

The Commission ruled that the carriers concerned should be permitted to discontinue the present constructive-station service, and to limit the practice of trucking in lieu of lighterage to the interchange of traffic between connecting railroads and steamship lines.

The constructive station now maintained by the New York, New Haven & Hartford Railroad was ordered discontinued by the Commission, while the New York Central proposal to continue the practice of constructive lighterage on traffic to and from New England to meet the competition of the New Haven's constructive station, was denied.

In reply to the proposal of some witnesses that store-door delivery be ordered as an antidote for the prevalent contro-

versial situation, the Government's regulatory body declared that it was "without the power under the Interstate Commerce Act to require carriers to establish store-door receipt and delivery."

The Recapture Clause

Another point, of special interest to the Commission, was the finding that constructive station service and trucking in lieu of lighterage, as practiced by the New York Central, Jersey Central, and Baltimore & Ohio railroads is "not compatible" with section 15a, the recapture clause of the Transportation Act.

The recapture clause provides that the Government, through the Commission, is entitled to recapture, from the carriers, one-half of all earnings in excess of five and three-quarters per cent, which has been held to be a fair return. Under the present practice, the Commission loses out on earnings via truck from railhead to store-door.

Another reason for the discontinuance of the practice on which the carriers, other than the New Haven, are agreed, is that since the service has been established there have been constant rumors that the trucking charges to consignee for the service beyond the constructive stations have been manipulated so as to cause discrimination.

"Witnesses for all of these respondents (the railroads) said the Commission's report, "were careful to refer to these rumors in their testimony but were just as careful to assert that so far as their particular lines were concerned the rumors could not be verified. Apparently, the persistence of the rumors, however, impelled the carriers in 1927 to insert in their contracts with the truckmen a provision that the minimum trucking charges beyond the constructive stations should be five cents on commodities generally and four cents on newsprint.

"For some reason," continued the report, "a similar provision was not made in the contracts covering constructive lighterage. As a consequence truckmen operating for those carriers which permit the lighterage points to become constructive stations are in a position to, and do, make charges to consignees below the minima provided for the constructive stations proper. This, of course, creates an unbalanced competitive situation and the lines which adopted to so-called constructive lighterage, profit accordingly."

The Port of New York Authority was "heart and soul" in favor of continuing constructive stations, its interest being based chiefly on the effectuation of its so-called statutory plan for port development. It pointed out that the physical division of the port into separate units caused by the harbor waters causes a special condition not encountered elsewhere in the country and that its subdivision and isolation causes Manhattan shippers to be at a great disadvantage because of inadequacy of team-tracks and the impracticability of providing them.

The Port Authority urged that "the time has come when truck service and rail service must be coordinated; that truck service to and from union freight stations handling principally less-than-carload freight and direct to store-door on carload freight, is really a substitute for team-track service; that the present pier stations of the carriers are totally inadequate and antiquated; that they should be replaced not only from the standpoint of service but to effect economy not only to the carriers but to the shippers; that the expensive west waterfront of Manhattan should be released from railroad occupancy and made available for steamship piers; and that relief of congestion on the streets of New York demands a consolidation of trucking services rather than the present dissemination necessary for haulage to and from the pier stations.'

The discontinuance of the present constructive station service was vigorously opposed by the Port Authority, but it disapproved the practice of constructive lighterage as now operated by certain carriers. It contended that all of the practical and progressive advantages to be derived from constructive stations could be lost through an indiscriminate use of that facility, and it would, therefore, limit the practice to Manhattan Island, and to ferry and bridge entrances to Brooklyn and Queens. It also conceded that the shipper should be required to bear the cost of loading the freight from car to truck at Jersey City.

The Merchants Association of New York advocated the establishment of "true store-door delivery" under arrangements to be fixed by the Commission whereby a portion of the cartage charge would be borne by the shippers, and the deliveries confined to reasonable limits. The association is not at all certain that the Commission has the power to compel store-door delivery, but urges the Commission at least to use its "moral support or influence" in that direction. It took no definite position with regard to constructive lighterage.

The Truckmen's Position

The association conceded that in effect the practice as now operated is no different from the constructive station practice, but pointed out that if the practice is to be continued it should be performed under rules which would preclude possible discrimination in according the service to some shippers and denying it to others. If store-door delivery is not found practicable, the association favors the continuance of constructive-station service, although it differs from the Port Authority in that it would have the carrier continue to bear the expense of loading the freight from car to truck.

The Terminal Truckmen's Conference of New York favored the continuance of the constructive stations and trucking in lieu of lighterage. It based its position on the ground that such services were made necessary by the inadequate and uneconomical pier operations and have proved "highly satisfactory to the shipping public."

The Commission's decision stated that the Commission has been informally advised that conferences are now being held between representatives of the railroads and certain protestants looking toward the establishment of union or universal inland stations, along lines suggested by Examiner Ames.

"We express the hope that these conferences shall result in the establishment of such facilities," it was said. No specific recommendations relative to inland stations were made by the regulatory body, in order that the parties involved may have a "free hand" in solving the problem.

Inland Stations

The inland or off-track station, as differentiated from the constructive station, is a station, in fact its only distinguishing feature being the means of access to it.

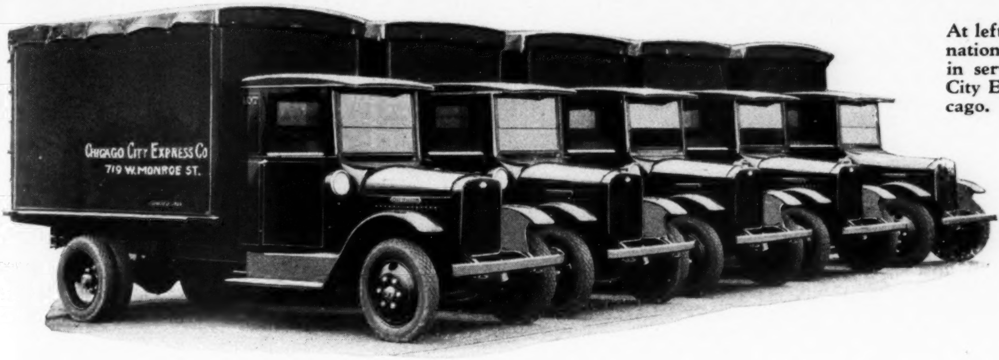
It has a receiving and delivering platform; its clerical force performs all station services, such as issuing bills of lading, mailing arrival notices, collecting freight and storage charges and the like. The present inland stations on Manhattan are operated by the United States Trucking Corporation as agent for the lines which maintain this type of facility.

The compensation paid by the carriers to the trucking company which maintains inland stations covers the loading of freight on the trucks at Jersey City, its transportation across the river, and the platform and station service. The inland stations on Manhattan Island are individual to the lines operating them—that is, although they are operated by the same trucking agency, they are in individual buildings, and freight for one line will not be accepted or delivered at the station of another.

Commenting on the general "trucking in lieu of lighterage situation," the Commission declared:

"Originally, trucking in lieu of lighterage was performed for the carriers strictly as an emergency or economical service. That is to say, when carload freight, entitled to free lighterage, was at the terminals and required expedited movement to meet sailing connections, or when it would be cheaper to have it trucked, the carrier at its own option would arrange for the trucking. As thus conducted, the shipping public had no particular interest in it because it was merely a mechanical substitute for lighterage service. Lightered freight is, of course, delivered alongside piers or steamships, and trucks substituted for lighterage under the original scheme, would make similar pier deliveries."

"It was not until 1926 that the service expanded to its present form. At that time the New York Central began to feel the competition of the constructive station and, in order to meet it, conceived the idea of allowing truckmen performing trucking in lieu of lighterage to merely touch or pass by the lighterage point nearest and en route to the consignee and continue on under load to the consignee's door. It pays allowance ranging from 8.5 cents to all Manhattan lighterage points, to 15 cents to some



At left: Fleet of International Speed Trucks in service of Chicago City Express Co., Chicago.

Speed Trucks, Heavy-Duty Trucks and Industrial Tractors—

Built by International Harvester for Your Kind of Hauling

The man whose bread and butter comes out of the profitable transportation of other folks' worldly goods finds International Truck quality and service decidedly important factors in his success. You can choose exactly the right kind of truck or tractor from the International Harvester line and operate it here, there, and anywhere with the comfortable feeling that 172 Company-owned branches—in the United States and Canada—stand ready to provide adequate service assistance.

Capacities range from the ¾-ton Special Delivery up to the big Heavy-Duty Truck for 5-ton loads. Complete information sent on request.

The McCormick-Deering Industrial Tractor

The Industrial Tractor offers rugged, heavy-duty power in an extremely economical form. It can be used with trailers and semi-trailers, as shown above, to very good advantage. Especially suitable for the shorter hauls and unusually heavy or bulky loads. Ask for suggestions covering an Industrial Tractor outfit for your own class of service.

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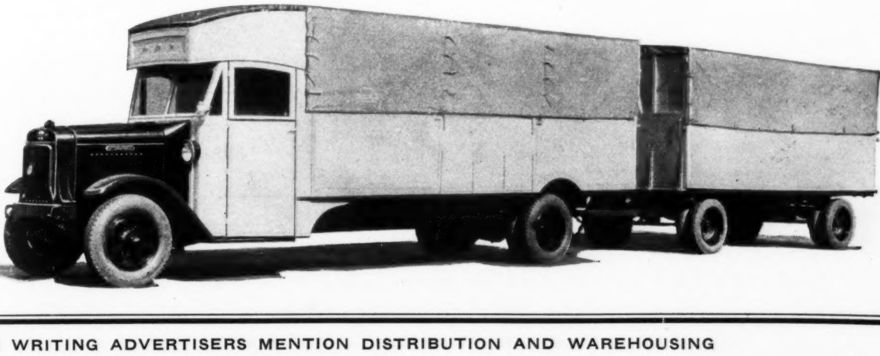


At right: This big International Heavy-Duty Truck and Trailer outfit reduces hauling costs to the minimum.

points in the outlying lighterage limits of New York harbor. This allowance covers the service between rail head and lighterage point, and for the service beyond the truckmen collect charges from the shippers. Responsibility also divides at the lighterage point.

"It will be seen, therefore, that in practical effect the service is exactly the same as that accorded through constructive stations. It employed 34 truckmen who immediately became active solicitors for the New York Central. Although the usual optional feature of the service was and is provided for in the tariffs, no instance is referred to of record where any consignee or consignor desiring the service was refused it. On the contrary, the service was and is actively solicited and is a very potent factor in diverting tonnage from other lines.

"Later, the Jersey Central and the Baltimore & Ohio, to meet this competition, made similar arrangements with truckmen. The other lines, thus far, have refrained from doing so and in the schedules under suspension all of the lines agree to restrict the practice strictly to freight interchanged with railroad or steamship lines. For brevity, this character of service will be referred to as constructive lighterage.

"It is no longer open to question that terminal trucking as a service is subject to our jurisdiction when voluntarily established and maintained by the carriers. The Interstate Commerce Act makes it the duty of carriers, subject to the Act, to provide and furnish transportation upon reasonable request.

"The first question to be considered is whether the terminal facilities which will be provided for Manhattan Island if the proposed schedules are permitted to become effective will be a complete satisfaction of the carriers' duties. As indicated, the withdrawal of constructive-station service and trucking in lieu of lighterage, except in interchange service, will throw all of the business back to the pier stations and to the few inland stations operated by three of the carriers.

"The capacity of freight stations is, of course, one of the first matters to consider on the question of adequacy. The record leaves no doubt that from this standpoint alone the pier stations will be able to accommodate the tonnage now moving through the constructive stations. In 1927, for example, a total of 310,283 tons moved through the constructive stations of seven roads—about 6 2/3 per cent of the 4,640,022 tons handled through other Manhattan facilities, not including those of the New York Central.

"The Erie, which has had the service since 1921, handled only 42,673 tons through it in 1927, as compared with 884,940 tons handled through its other Manhattan facilities.

"The Lehigh Valley, which has had the service since 1924, handled 20,096 tons in 1927, as against 739,645 tons at its other Manhattan facilities.

"Both of these roads have, and propose to continue in service, inland stations, and can doubtless accommodate this tonnage either at those stations or at their piers.

"The New Haven has handled the greatest amount of tonnage through its constructive station—132,226 tons in 1927, as against an average of 29,676 tons for the six other lines.

"It is significant, in this connection, that the New Haven is an enthusiastic advocate of the service and desires to continue it. But whether the lack of development in respect of the other lines is due to apathy in solicitation, or other causes, the fact remains that the percentage handled of the total tonnage is so small that it must be concluded that it could be accommodated at the pier stations.

Store-Door Delivery

"The specific proposal of the Merchants' Association of New York is for store-door delivery on carload freight only. It would not exclude handling of less-than-carload freight permanently but it suggests that experience should first be gained through handling the carload traffic. It is pointed out that the loft buildings, so extensively used on Manhattan, do not lend themselves to the expeditions handling of less-than-carload freight. It would appoint a committee of representatives of carriers, truckmen, and shippers to work out details of the plan. This committee would agree on cartage rates which, it thinks, should be classified from a trucking standpoint. The shippers would bear the cartage expense beyond the 'constructive' station. These trucking charges would be zoned. For example, the first zone might be south of 59th Street. If a shipper should request store-door delivery or collection he would be compelled to pay an amount over the New York rate sufficient to pay for the cartage charge, and the truckman would act as the carrier's agent in collecting this charge, which would be published in the tariffs. It is conceded that the service would, of necessity, be optional with the shipper.

"No definite plan of zoning or subzoning trucking charges was submitted, but it was stated by the principal witness for the Merchants' Association that those details could be worked out in conference. As to the establishment of store-door delivery in Brooklyn or Queens, or at Jersey City, the witness stated that inasmuch as those communities have team-track facilities no economy would result to the carriers through store-door delivery and, therefore, it need not be established. Apparently its position is that unless a community is prepared to show a real economy to the carrier in store-door delivery, it is not in a position to ask for the service. This doctrine is indeed startling. It overlooks entirely the protection afforded by the Act to competing shippers and localities. The reason, if any, why the carriers could save delivery expense at Manhattan through the store-door plan is because other forms of delivery necessary to reach Manhattan are more expensive than the usual form of delivery. That is a disability growing out of its geographic location. In spite of it, its rates are the same as those to Jersey City. But under this doctrine the Manhattan shipper because of his disability of location would get a service which the New Jersey shipper could not request because he has no disadvantage with which to offset the usual service. It is needless to argue that the Manhattan shipper expects and is willing to pay the cartage expense beyond the place of usual station delivery. The truck at that stage of the journey is loaded at railroad expense, a service which the carrier would not be providing for the Jersey City shipper. The witness concedes that unless the service is made financially attractive to Manhattan shippers—that is, unless they are shown that they can move freight cheaper than through regular stations—they will not use the service.

"As pointed out, store-door delivery on inbound business was advocated by former Commissioner Harlan in 1918. It has also been considered by the Federal Highway Council in 1921; by the Society of Terminal Engineers from 1922 to 1924; by the United States Chamber of Commerce in 1924; by the Atlantic States Regional Advisory Board in 1924 and 1925; and by this protestant and other New York organizations. Although individual shippers in New York, circularized as to their views on the subject, did not respond in sufficient number to indicate any great enthusiasm on the subject, this lack of interest is said to be due to the fact that the service has never been given a trial and shippers are loath to enter into new arrangements. For some years, however, the system has been regarded by various organizations as a panacea for all terminal ills. And the railroads, themselves, have seen the lure of it. In our report in Motor Bus and Truck Operation, *supra*, we said:

"'Store-door delivery is today receiving the earnest consideration of railroad executives and shippers' representatives, as well as ours. Store-door delivery would mean quicker and better service to the shipper with a great saving of time, elimination of terminal congestion, consolidation of freight into fewer cares, and reduction in use of stations and cars for storage.'

"The railroad executives in New York have given the matter 'earnest consideration' but the result of that consideration has been that they do not want to see the service established. It may be due, as their witnesses have stated, to a fear that the service, if established, would be at, or so near, to the level of the New York rates, as to cast an unfair cartage burden on the carriers."

Railroads Said to Have Acquired Greyhound Lines

LEADING trunk line railroads, beset with motor vehicle competition, are reported to be "acquiring substantial holdings in the Greyhound Lines, Inc., transcontinental bus operators," according to the New York *Times*, which in August published a news story saying that the development was interpreted "as meaning that the railroads wish to protect their long-haul business from the competition that has made most of their short-haul business unprofitable."

The situation is of more than passing interest to warehouse executives for the reason that the Greyhound organization is engaged in long distance motor hauling of household goods as well as in passenger traffic.

"This reported move by the railroads," *Times* story continues, "is held to explain partly the sale by the Great Northern of its bus lines this week. The Great Northern sold its Northland Transportation Company, operating 3300 miles of routes, to the Motor Transit Corporation and Automotive Investments, Inc., organizations controlling the coast-to-coast system of the Greyhound Lines. Ralph Budd, president of the Great Northern, said that his railroad would continue to hold a substantial minority interest in the Northland Greyhound Lines, as they will henceforth be known.

"The Pennsylvania Railroad is understood to have acquired a controlling interest in the Greyhound Lines, and the eastern trunk line already operates buses between New York and Atlantic City and New York and Philadelphia. The acquisition of the Greyhound holdings is expected to result in merging through an exchange of stock the Yelloway system, operated by the American Motor Transport Corporation, and the Pickwick Stages, subsidiary of the Pickwick Corporation. Bus lines operated by the Southern Pacific Motor Transport Company, a subsidiary of the Southern Pacific Company, also are included in the unification.

"Sale of the Great Northern's bus lines surprised railroad men, although Mr. Budd explained that his company would benefit through operation of its bus lines by a coast-to-coast system. It is now thought that one reason why the Great Northern system was willing to sell was because the Greyhound Lines were already controlled by a carrier with which it exchanges traffic.

"With the Great Northern, Pennsylvania and Southern Pacific all interested in the Greyhound Lines, it is considered only a matter of time before the connections between the carriers and the bus company become more concrete.

"The railroads have for some years been advocating that interstate bus operation be made subject to the jurisdiction of the Interstate Commerce Commission. One opinion has had it that entrance of the railroads into interstate bus operation should wait on such a development, but others have contended that the railroads should take this move before the buses cut down the through railway passenger traffic as they have done local passenger revenue.

"The Motor Transport Corporation of Chicago controls subsidiary companies operating the Greyhound Lines, the main routes of which extend from Chicago to Detroit, Toledo, Cleveland, Pittsburgh, Philadelphia, and New York; from Chicago to Indianapolis, Cincinnati, Louisville, Atlanta and Jacksonville, and from New York to Washington, Richmond, Raleigh, Columbia and Jacksonville. Motor Transport also controls the Yelloway Lines which operate in California and Colorado, and Pioneer Stages, Inc., which operate between Denver and New York.

"Entrance of the railroads into long distance bus operations is considered in some quarters a logical development in the light of their organization of transcontinental air services."

The "Two Bits" Department

(Concluded from page 26)

At Montreal, we learned that Basil Tippett, the Toronto storager, was summering in Europe, & that John Baillargeon, the Montreal storager, contemplates to sail therefor about Nov. 1.

At Regina we ran into Chet Carruth, the A. W. A. cost-finding prodigy, & learned that Chet has made out his will bequeathing his corpse to the University of Chicago, probably for statistical purposes.

At Vancouver, Chub Quigley, sec. of the Canadian storagers' assoc'n, & Better ½ blew us to dinner, very fine.

At Seattle, Walt Eyres, the Seattle storager, showed us his new warehouse, very fine.

At Tacoma, Matt Newell, the Tacoma storager, took us in his auto out to the lake where his home is, very fine.

At Portland, Don Bates & Ray Chapin, the Portland storagers, cut down our expenses considerable by loaning us their autos, both very fine.

& we will conclude by reiterating that Harper & Brothers will publish Ye Ed.'s new book, very fine.

When you ship goods to fellow warehousemen—use the Warehouse Directory.

Government Expert Foresees Increase in Cold Storage

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Bldg.

WASHINGTON, D. C., Aug. 10.—Public warehouses may expect a continued growth of the egg and poultry cold storage business despite the developments of longer producing seasons, according to Thomas W. Heitz, Department of Agriculture expert, who recently completed a survey of the situation.

There is no basis for any belief that longer producing seasons would leave less need of holding products in cold storage because the under-production period would be shorter, according to Mr. Heitz, who says:

"Scientific management will mature pullets earlier and cause a much heavier fall and winter egg production, but it is doubtful if these same flocks will lay appreciably fewer eggs during the spring, the season of storage. The winter egg and broiler will increase consumption per capita, but as long as the natural inclination of reproduction of the hen is in the spring, and as long as chicks can be reared more economically in warm weather, the storage houses will probably be little affected by out-of-season production."

Growth of the cold storage business, Mr. Heitz maintains, is due to increasing growth of the larger population centers, with a resultant rise in demand for food products all the year round.

More space is used for the storage of eggs in the public warehouses than for any other commodity except apples. Frozen poultry ranks fourth.

Although fresh-egg receipts at the leading market were larger during the winter of 1926 and 1927 than ever previously in the history of the industry, it is pointed out that the storage holdings were also higher than in any other preceding year.

Detailed results of the survey conducted by the expert may be obtained by applying to the Department of Agriculture for Circular 73-C entitled "The Cold Storage of Eggs and Poultry."

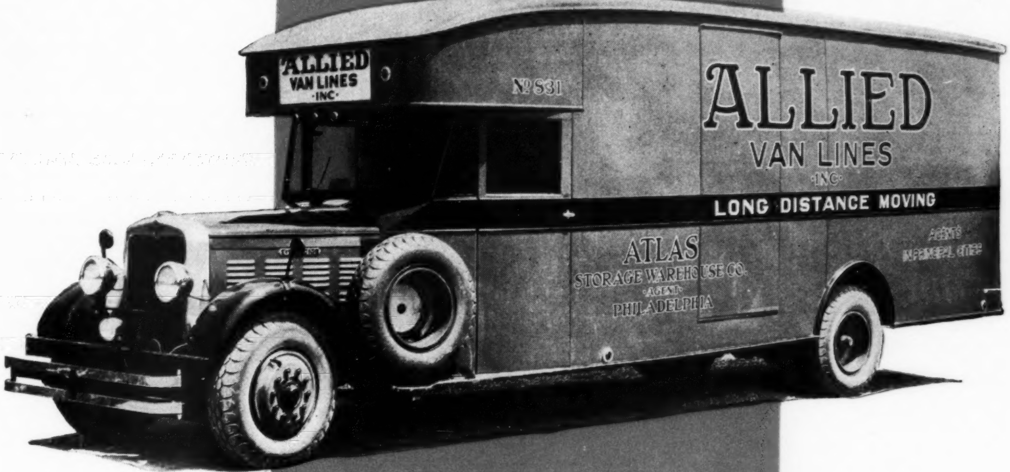
—*Robert C. McClellan.*

Reger Now with Atlas

William A. Reger, for many years connected with the Fidelity Storage & Warehouse Co. and until recently secretary of the Fidelity-20th Century Warehouse Co., Philadelphia, has been elected a director and vice-president of the Atlas Storage Warehouse Co., Philadelphia. Mr. Reger has purchased a substantial stock interest in the Atlas firm.

Sacramento Firm Expands

Improvements and additions representing an investment of $250,000 have been completed by the Consumers' Ice & Cold Storage Co., Sacramento, Cal. A four-story reinforced concrete warehouse and an ice tank building have been erected.



GRAMM *Imperial* VANS

Guaranteed by a Surety Bond furnished by the World's Largest Surety Company—The National Surety Company.

The only ironclad guarantee placed upon a motor vehicle.

The SENIOR
$5285.00

1. 128 H.P. Six Cylinder Engine. Rubber Mounted at all three points of support. Twin Ignition.
2. 4 Speed Transmission with Ball Bearing Mounted Shafts and Nickel Steel Gears.
3. Double Reduction—Full Floating Rear Axle.
4. Straight Line Drive under load.
5. Westinghouse Air Brakes on all Four Wheels.
6. Double Drop Frame—Exclusive Gramm Design.
7. Chrome Vanadium Steel Two Stage Springs (front and rear).
8. Front Springs Shackled at front—a Gramm Feature that eliminates "wheel wobble."
9. Budd-Michelin Wheels.
10. 36 x 8—12 ply Pneumatic Tires—Duals Rear.
11. Oversize Battery and Electrical Equipment — Leece-Neville Voltage regulated.
12. Full Crown Mud Guards.
13. Spring Bumper and many other outstanding van chassis developments.
14. 236" Wheel base.

The JUNIOR
$3785.00

1. 105 Horsepower, Six Cylinder engine with rubber mounting at all three points of suspension. Twin ignition.
2. 4 speed transmission—all shafts ball bearing mounted—nickel steel gears.
3. Double reduction rear axle.
4. Straight line drive under load.
5. Four wheel brakes—booster operated.
6. Double drop frame—exclusive Gramm design.
7. Chrome-vanadium steel, two stage progressive springs (front and rear).
8. Ross cam and lever steering gears (latest type).
9. Front springs shackled at front—a Gramm feature that eliminates all "wheel wobble."
10. Budd-Michelin wheels.
11. 34 x 7—10 ply tires—duals rear.
12. Oversize battery and electrical equipment (Leece-Neville voltage regulator).
13. Full crown mud guards.
14. Spring bumper and many other outstanding van chassis developments.
15. 210" Wheel base.

GRAMM MOTORS, Inc.

Builders of Fine Motor Trucks and Vans

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GRAMM Imperial

WORLDS LARGEST SURETY COMPANY

Gramm Van Bodies are the latest developments in high quality dust proof bodies for long distance hauling. Prices and literature upon request.

For real truck value in the smaller capacities investigate the Gramm 1½ Ton—$1395; 2 Ton—$1795; 2½ Ton—$1995; and 3 Ton—$2385. All are six cylinder, powerful and fast truck chassis of advanced design. Literature fully describing these models sent upon request.

"25,000 Guaranteed Miles—Once around the World"

The Family Album Presents Sketch of Theo. W. David

(*Concluded from page 35*)

ness from nothing to a plant consisting of five large modern fireproof depositories, have found time to serve in various branches of the United States Army, each acquiring and retiring with a commission.

As a boy, Theodore W. David, president of the concern, wanted to became an engineer on the railroad. His father had been a traveling man whose trunks were moved by Frank H. Hebard, "the grand old man" of the warehouse industry in Chicago, and one morning young Theodore wandered into the Hebard stables and found Mr. Hebard sitting on the tongue of a wagon. The opportunity seemed a golden one so the boy asked for a job—to be told that if he came around the next morning at five there might be one for him. So it happened that at 5.00 a. m. the next day he began the long trail that was to make him a warehouseman instead of an engineer.

Young David earned seven dollars for his first week's work. The second week he got nine. Jobs were hard to get and he was determined to make good, though moving furniture was heavy work. Finally he was promoted to the position of driver of a single wagon.

Returning from the Spanish-American War, he was given a place in Mr. Hebard's office and there he remained for twenty years as clerk and later as cashier.

During those twenty years Mr. David and his wife saved the sum that was to give him his start in the warehouse business. There were no movies to lure away the pennies in those early days and young people were satisfied to go window shopping by way of amusement.

The World's Fair was on in Chicago in 1893 when Theodore as a youth of twenty went to work for Mr. Hebard. Sixteen years ago, in 1913, he and his brother, Sidney S., with James L. McAuliff, a brother of Mrs. Sidney S. David, formed the corporation which has existed to this day without change in officers or ownership. Sidney S. David is vice-president and James L. McAuliff is secretary. There are no other stockholders.

The days when a man with a horse and wagon could stand on a street corner and start in business had gone by when the Davids made their first venture. They required a warehouse building and this was financed by Sidney S. David, who at that time was president of the David Advertising Agency. Because he believes in advertising to the extent of making it a hobby, Sidney took over the responsibility of placing the name of the new firm before the public. The first venture was in the Logan Square district, on the northwest side of the city. The new company lost money the first year, but very little in the second year, and the third brought the corporation out of the "red" and on the road to the prosperity which it has since consistently traveled.

The first David warehouse was a five-story steel skeleton building, the first of its kind in this section of the city. Its erection excited considerable comment, as it was built during the brickmakers' strike and all floors and the roof were in place, with all tile partitions showing, before a brick was placed. The strike not ending, it was decided finally to use all face brick, which was shipped in from Pennsylvania and laid during the strike. No common bricks were used.

A store nearby, as shown by photograph, served as temporary offices for eight months and helped to give impetus to the new company.

A van and box wagon served as the first moving equipment. Mr. David liked black horses and purchased none other. By the time the firm had increased its livestock to a considerable number, their uniform quality and color were a matter of local pride.

Within three years the Milwaukee Avenue building that had provided them with their first warehouse quarters was outgrown, so a second structure, almost a duplicate of the first in design and size, was erected. Soon after this they did away with the horses and motorized their van equipment. A third new building, six stories high, located in the Rogers Park district, marked their entry on the north side of Chicago. As a fourth place of business they acquired the Security Fireproof Warehouse, also on the north side. Still expanding, in 1923 they added as a fifth warehouse, the Pulver Fireproof Storage Warehouse, located in Evanston, the beautiful suburb adjoining Chicago on its northern boundary. They have also acquired a site at the intersection of Broadway, Montrose and Sheridan Road, where they contemplate building a ten-story warehouse, plans for which have already been drawn, when local conditions warrant.

Two younger brothers hold positions in the firm. Henry S. David is manager of the Ravenswood warehouse, and Ira H. David is manager of the Logan Square warehouse. Another brother, Louis D. David, was for a number of years manager of the Rogers Park plant but left the company some five years ago to engage in the practice of law. Mr. David's son, Norman K., is now learning the business at the general offices.

Theodore W. David was born and reared in Chicago, where he attended the public schools. In 1892 he enlisted in the Illinois National Guard and after the Spanish-American War he rose from the ranks, retiring after twenty years with a major's commission. Of the other brothers, Henry S., was a captain overseas during the World War and Louis served in the same conflict as a first lieutenant.

Theodore W. David is a former vice-president and director of the Illinois Furniture Warehousemen's Association. At present he is a member of the Masonic Fraternity, of Royal League; Royal Arcanum; Free Sons; B'nai B'rith; Past Commander of McKinley Camp No. 6, Veterans of the Spanish-American War; a member of the Veterans of Foreign Wars; the Veteran Corps of the Second Infantry; the Traffic Club of Chicago; the Covenant Club of Chicago; and the Optimists Club of Evanston. He is president of the Jewish Temple Beth Israel and is also a director of the Albany Park National Bank.

He takes a live interest in politics and served as a delegate-at-large to the 1928 Democratic Convention at Houston.

What Mr. David does with his spare time is easily answered. He has very little. He sometimes goes to target practice at the National Guard rifle range, and finds a few moments for a little gardening around his home. Golf he leaves to his brothers and "Jim" McAuliff, who cherish fond hopes of some day winning him over to the ancient and honorable game.

Kennelly Buys Park Co. in $1,000,000 Deal in Chicago

MARTIN H. KENNELLY, president of the Werner Bros. Fireproof Storage Co., Chicago, announces purchase of the business and good will of the Park Fire Proof Storage Co. of that city. Coincidentally, the Werner firm takes the name Werner Bros.-Kennelly Co.

In addition to buying the Park concern's business, the Werner-Kennelly organization has taken over under lease for an undisclosed term of years the Park company's ten-story structure, containing 150,000 square feet of floor space, at 1750 North Clark Street, opposite Lincoln Park.

The transaction inolves a total of more than $1,000,000, including the rental for the property.

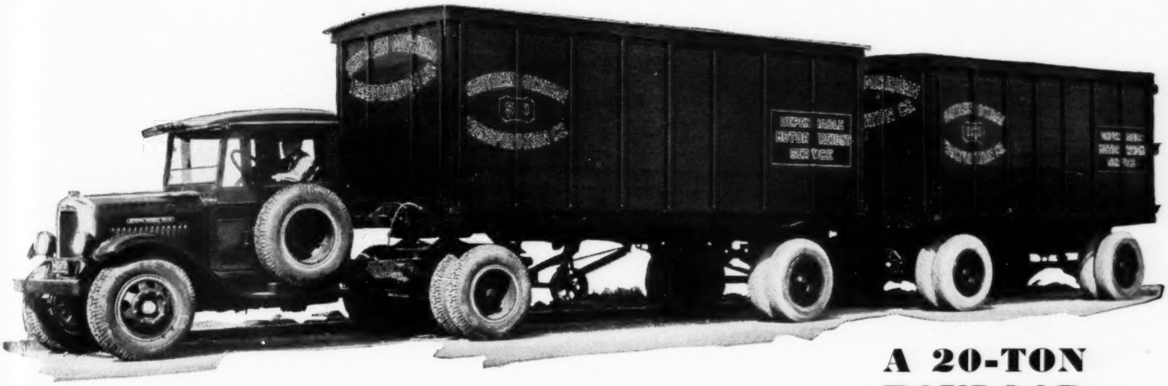
With the acquisition of the Park warehouse, the Werner-Kennelly company has six depositories devoted largely to storage of household goods.

The Werner Bros. Fireproof Storage Co. has been identified with Chicago's warehouse business for nearly four decades, having been established in 1895. The capital stock was acquired by Mr. Kennelly and associates in 1923 from the trustees of the Eric A. Werner estate in a transaction involving approximately $1,000,000. He has been the firm's president for the past six years, and Henry A. Gardner, of the law firm Gardner & Carton, is secretary.

At the recent Mackinac Island convention of the National Furniture Warehousemen's Association, Mr. Kennelly was reelected president of the Allied Van Lines, Inc., the intercity motor hauling agency of the National.

The Park Fire Proof Storage Co. was established in 1900 and has been headed by William M. LeMoyne as president. Both it and the Werner-Kennelly firm are on the membership rolls of the N. F. W. A., the Canadian Storage & Tranfermen's Association, and the Illinois Furniture Warehousemen's Association. The Werner-Kennelly company is identified also with the American Warehousemen's Association.

32 MOTOR TRAINS TURNED Loss *into* PROFIT *Quickly!*



A 20-TON PAYLOAD

that travels 25 miles per hour

THIS is a fact-recital of how sane, forward-looking management used General Motors Truck Model T-60 tractors to turn red figures into black.

The Michigan Railway Company and the Michigan Electric Railway Company were reorganized as the Southern Michigan Transportation Company, with J. F. Collins as president.

The electric lines were discontinued, the last on June 20 of this year. Motor trains — hauled by powerful G.M.T. tractors — took over the old freight territory. Buses took care of passenger transportation.

Quickly the wisdom of the new methods was proved. Volume of business, officials say, *doubled* within two months. With the restrictions of the rails removed, profitable new territory is constantly being tapped, with 32 G.M.T. tractors and 54 Freuhauf trailers and semi-trailers now in operation.

Interstate "through" routes, with "through rates," have been established. Pick-up and delivery service "from store to door" has been inaugurated, and pays profit. Equipment to handle a diversity of freight . . . perishable goods, livestock, all types of merchandise . . . is being put to work. Employee morale has been stimulated — keyed to unified, efficient effort.

The healthy rejuvenation of this business typifies the results that are being achieved by modern equipment, and modern *thinking*.

❦ ❦ ❦ ❦

It typifies, too, the achievements of General Motors Trucks in distribution and warehouse haulage. Facts and figures on this type of hauling are available—may have actual cash-value for you.

A G.M.T. representative will put them before you. He is as near as your telephone. General Motors Truck branches, distributors or dealers are located in 1500 cities and towns.

This is one of the 32 Model T-60 General Motor Trucks which haul the Southern Michigan Transportation Company's Motor Trains.

This unit is operated at 25 miles per hour, officials say, under the sure control and safety of WESTINGHOUSE AIR BRAKES. A 20-ton payload is hauled (10 tons each on semi-trailer and 4-wheel trailer). The gross weight of the entire unit with pay-load is 65,700 pounds.

Gas mileage varies from 4 to 5 miles per gallon.

Tire equipment: 36x8 single front and dual rear tires on tractor and 36x8 dual tires on semi and four-wheel trailer.

Rear axle gear ratio: 10:67 to 1.

GENERAL MOTORS TRUCKS

GENERAL MOTORS TRUCK COMPANY, Pontiac, Michigan
(Makers of GENERAL MOTORS TRUCKS, and YELLOW TAXI CABS and COACHES).
(*Time payments financed through* Y. M. A. C. *plan, at lowest available rates.*)

ALWAYS INVESTIGATE WHAT GENERAL MOTORS HAS BEFORE YOU BUY

Detroit Warehousemen Begin Business-Building Campaign

THE Michigan Warehousemen's Association, with headquarters in Detroit, estblished on Aug. 1, a service bureau for the purpose of supplying manufacturers and distributors with information concerning sales possibilities, warehouse facilities and other related data in the Detroit district. Assistance will likewise be given in planning distribution so as to cut costs.

Don C. Jordan, the executive secretary, has been appointed director of the bureau and will supervise its activities.

The first of a series of letters outlining the facilities of the bureau was sent out to a large list of national manufacturers early in August.

The mailing went out on an attractive and striking red and blue letterhead bearing a list of the association's members; a map of Michigan with "Detroit" spotted and with a red arrow pointing, at the city, running diagonally through the entire letterhead; and the following lettering at the top: "Detroit's Better Warehouses. Service Bureau of the Michigan Warehousemen's Association, Suite 815, Transportation Building, Detroit."

Text of Letter

Addressed to the traffic managers of the various manufacturing concerns, the letter read:

"The 'Better' Warehouses of Detroit are pleased to announce the establishment of a service bureau for the convenience of manufacturers who are interested in the Detroit market. It will be our purpose to supply you with any information you may desire regarding Detroit and its trade possibilities, and to assist you in cutting your costs of distribution through this city.

"With the cooperation of our member houses, representing an investment of over twenty million dollars in the most modern buildings and equipment, we are in a position to offer you the location and facilities which will best meet your particular needs.

"Should you already have a satisfactory warehouse connection in Detroit, we want you to use the bureau for information at any time. If you are now handling your goods through private warehouse or branch office, we would like an opportunity of submitting figures to show the saving to be effected through utilizing the 'better' warehouses. In the event that you are not yet selling the Detroit market, or are shipping l. c. l., we will gladly cooperate with you in arranging an advantageous selling connection and assist you in every way possible to find a profitable outlet for your merchandise.

"We know you are vitally interested in increasing your business and effecting distribution without waste. We are anxious to help you to do both in Detroit. Will you not write us fully regarding your particular business in this section?"

Two weeks after the mailing Mr. Jordan reported the returns from the letter as having been satisfactory, and stated that plans are under way for other letters.

The bureau is attacking the problem of business stimulation from another angle, also. The warehousemen hope to prevail upon the purchasing agents of local manufacturers to see the advantage to themselves in reporting concerns which they would like to have carry spot stocks in this city in order to speed up delivery of merchandise and supplies to these manufacturers. In pursuance of this factor in the promoting of new business, Mr. Jordan has sent out the following letter to local purchasing agents:

"The 'Better' Warehouses of Detroit are desirous of cooperating with local manufacturers in securing spot stocks of merchandise now being shipped into Detroit in l. c. l. lots. The delay so often experienced in shipments arriving would be eliminated were stocks available in local warehouses where immediately shipment could be effected.

"We are prepared to show your suppliers the advantages to be gained through the carrying of stocks in Detroit, and to assist them in increasing the outlet for their goods in this territory. The small cost of keeping stocks on hand would be borne by them and would be more than offset by the increased business they would enjoy.

"If you will cooperate with us by advising the names of firms that you would like to carry spot stocks in Detroit, we will be glad to communicate with them direct, explaining fully the facilities we have to offer. We will mention your name or not as you wish.

"As this is an effort on our part to be of service to the manufacturers of Detroit, and at the same time increase the volume of warehouse business in this city, we hope you will be willing to work with us to our mutual advantage."

This letter, also, has brought in a satisfactory number of replies.

All members of the association are participating in the campaign, and Mr. Jordan is sending copies of all business leads, thus secured, to the members so that all may have an equal opportunity to participate in any business created.

New Akron Company

Moody Warehouse, Inc., has been incorporated in Ohio to conduct a storage business in Akron. The capital is 200 shares of no par value stock. The incorporators are W. H. Moody, C. R. Moody and L. C. Moody.

Los Angeles Firm Changes Hands

The Avalon Boulevard Transfer Co., Los Angeles, has been sold by James Myers to James Brennan and Al Brennan, for some years in the trucking business.

Career of H. R. McClintock in the Family Album Series

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the evening there was music and dancing on the street outside, and in the afternoon entertainment of some sort, not to mention refreshments and souvenirs—paper hats, cracker canes, dolls, blotters or what have you?

Guests were taken to the sixth floor in electric elevators and left there to walk down. On each floor were displays of furniture and household goods in various stages of being packed or shipped. Thus many who had never before heard of a warehouse were initiated into its mysteries and educated to its uses.

Ostensibly, the use of the building had been extended to the merchants to "revive the industrial spirit of San Diego." The mayor of the city acted as toastmaster at the luncheon which preceded the opening and at which the city's financial leaders were guests.

The immediate effect of the novel idea, however, was a very substantial flow of business into the new warehouse. In less than six months the operating company showed a profit on its books, and at the end of the first year the volume of business had increased so that a dividend was paid on the stock invested. Since that time the business has continued to prosper under the direction of C. C. Temple, manager, and C. C. Hiatt, the latter in active charge of operations.

The McClintock warehouse is built after Spanish architecture, in keeping with the spirit of California. The spacious lobby is finished after the colorful style of old Spain but for the rest of the interior there are all the innovations of modern America—private fireproof vaults, passenger and freight elevators, speaking tubes, chutes, garages, trackage, offices for manufacturer's representatives. A large fleet of vans and trucks is kept busily engaged in the moving of household goods and merchandise, for the warehouse service includes both. The warehouse also is a terminal for the larger transcontinental shippers using both rail and water transportation. Besides this, it has developed considerable State-wide trucking activity.

Aside from his warehousing interests, Mr. McClintock is more or less involved in the real estate business. Various other enterprises claim a share of his attention, among them the manufacture of parachutes. He lives at La Jolla, a suburb of San Diego, at a point overlooking the Pacific Ocean—and commanding, according to the subject of this sketch, a view that would inspire anyone to anything whether it be building a better parachute or developing a warehouse.

All of which sounds like a native son broadcasting, when really Mr. McClintock was born in the State where they have to "show 'em." Also he spent twenty years in Texas before moving to California.

Big Packers Would Operate Cold Storage Warehouses

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

WASHINGTON, D. C., Aug. 14.—Plans of Armour & Co., Swift & Co. and probably other great national packers to acquire their own public cold storage warehouses and terminals as part of a gigantic nationwide program of retailing and distribution were revealed here this week when the packers filed a petition in District of Columbia Supreme Court.

The petition asks the Court to set aside the packers' consent decree of 1920 which forbids the national packing houses to enter into any other business than that of dealing in meats. It is the contention of the packers that changed conditions since this decree was established have made it operate to restrict competition rather than to insure it.

The decree, among other things, prohibits the packers from owning public cold storage warehouses, terminal facilities, etc., under certain conditions. The object of the decree was to insure observance of the anti-trust laws.

The Swift and Armour companies recite in conclusion a list of the prohibitions from which they now ask to be exempted. Primary among these is that clause of the decree which forbids them to deal in unrelated lines of commodities. "Unrelated lines" are any commodities other than meats.

Would Handle Dairy Products

The packers point out that in order to establish retail outlets which will permit them to compete effectively with other retailers it is essential that they be allowed to handle other products, notably dairy products, poultry and eggs.

In dealing in these commodities, it follows that expansion of the packers' storage and warehousing facilities will become essential. In order to distribute their products more effectively and economically, as, they say, the chain stores are now doing, they ask to be exempted from "not owning capital stock or other interest in public cold storage warehouses."

This shows, apparently, that establishment of these cold storage warehouses as an integral part of the proposed system is necessary to its success. The fact that the principal commodities which the projected retail stores would handle—meats, dairy products, poultry and eggs—all require cold storage to varying degrees, further implies that the packers intend widespread competition with existing cold storage warehouses.

The competition, as the petition indicates, would extend to the purchasing of present warehouses, as well as probable establishment of additional ones by the companies themselves.

Primary among the factors which have caused this change in competitive conditions is the rapid growth of the chain stores, states the petition. Of interest to warehousemen is the tendency, which the petition cites, of chain stores to control their own distributive systems and, more recently, even their sources of production. Correlated with this trend is that toward establishment of private brands by chain store systems rather than distribution of nationally advertised commodities.

All of these factors point to the growth of giant distributive systems owned by the chains, including cold storage and other warehouses. The petition cites the purchase by the Atlantic & Pacific Tea Co. and the Kroger Grocery & Baking Co. of numerous food factories of various types. This growth, it may be inferred, is being followed by a similar growth in storage, truckage and other factors in getting these products to retailer and consumer.

The stated intention of the packers is to reverse this process; that is to say, they intend, as manufacturers, to expand into the retailing and wholesaling fields as opposed to the retailers' expansion into the wholesaling and manufacturing fields. Both alike aim to eliminate, so far as possible, the independent wholesaler.

The factors which have led the packers to the belief that circumstances have changed sufficiently to warrant setting aside of the decree are listed as follows: (1) "Phenomenal" development of chains (2) Entry of these chains into the meat business. (3) Entry of competing packers (not subject to the decree) into retail marketing. (4) the June 22, 1921, decision of the Interstate Commerce Commission, in the National Wholesale Grocers case, "holding that the practice of the railroads in permitting these defendants to load certain grocery articles in their peddler and branch house cars was not shown to result in undue prejudice to the wholesale grocers or to unduly prefer these defendants (the packers). (5) Enactment of the packers and stockyards Act of Aug. 15, 1921, placing supervision of packers under the Secretary of Agriculture.

The effect of a decision favorable to the packers on their petition is problematical, insofar as the warehousing industry is concerned. It is not improbable that it would mean much severer competition, but on the other hand it is also possible that, in such a gigantic business struggle as might follow, warehousemen would profit from being neutral onlookers available for service to either side.

It is also likely that a favorable decision would result in legislation which is now foreseen as inevitable under any circumstances but which would be hastened by such a decision. This legislation would affect warehousemen, along with all other business men, for it would effect sweeping changes in the anti-trust laws, maintenance of resale prices, cooperative movements, and chain stores.

—Russell Smith.

When you ship goods to a fellow warehouseman—use the 1929 Warehouse Directory.

American Storage Plant Described by Architect

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storage vault, and vaults for the storage of valuable film, etc., all constructed and planned after the most recent mechanical development.

On the first floor are the main offices; entrances to the building proper; several stores; a large storage vault which, for valuables, is equipped with the latest type burglar-proof vault doors; the president's and manager's offices, handsomely decorated and finished; the rug room, trunk room, and trunk examining room, where patrons may examine the contents of their trunks in privacy; recessed space, in the rear at loading platform, for accommodation of heavy trucks which load directly adjacent to the elevators and packing room; and the fumigating room, which is designed to accommodate an entire truck and its load, which can be fumigated before entering or before leaving the warehouse without unloading.

Ample piano storage is provided on the mezzanine floor.

The second floor is space for the storage of automobiles.

The third floor to the ninth inclusive are devoted to open storage, with plenty of aisles and light.

The tenth, eleventh and twelfth floors are private rooms of varying sizes, with individually keyed locks and fireproof metal doors.

Roof Garden and Radio

On the thirteenth floor there is a well equipped café and a promenade roof garden from which is obtained a panorama of the city. Provision has been made for a completely equipped radio broadcasting studio with orchestra and reception rooms.

Two passenger elevators serve the building, one of which will run express to the thirteenth floor, and there are two large freight elevators.

C. Sharpe Minor of the prominent music studio of that name is heard over the radio from this building.

The walls of the main lobby and main office are faced with travertine and the ceilings groined and decorated.

The president's office is also enriched with a coffered ceiling.

The building is fitted with inter-communicating telephone, auto call-bell and pneumatic tube systems.

Cleveland Warehouse Bombed

The partly-completed warehouse of the Warner Storage, Inc., Cleveland, was bombed on Aug. 4 and was damaged to the extent of about $5,000. Police authorities advanced the idea that the attack was by men who had warned the building contractor to stop construction if he wanted "to keep out of trouble." The contractor was said to have been employing non-union workmen.

The dynamite bomb split one of the building's walls, weakened the others and tore a hole in a concrete floor.

Construction, Removals, Purchases and Changes

California

PITTSBURGH—Sacramento-Northern Railroad has plans for a $16,000 warehouse and freight building.

Santa Cruz—Union Ice Co. will erect a $50,000 cold storage warehouse and ice plant on Chester Avenue.

Connecticut

New Britain—Hardware City Storage Co. is reported planning construction of a $100,000 cold and dry storage warehouse.

Waterbury—Fulton Markets, Inc., plans construction of a $50,000 two-story cold storage warehouse.

Florida

Miami—Seminole Ice Co. has approved plans for a $30,000 cold storage warehouse and ice plant.

Sarasota—Sarasota Terminal Docks, Inc., recently organized by T. W. Bryden and associates, has plans for a $350,000 multi-story cold storage warehouse on the waterfront.

Georgia

Atlanta—Monroe Bonded Warehouses are erecting a four-story addition at 150 Peters Street.

Illinois

Chicago—Bekins Household Shipping Co. has removed to Room 526, at 1 South Dearborn Street, from 203 South Dearborn Street.

Chicago—Chicago Junction Railway Co. has plans for spending $100,000 extending and improving its 4-story warehouse and freight building at 15th Place and Western Avenue.

Chicago—Peterson Express & Van Co. has filed notice of company dissolution under State laws.

Chicago—Remer Storage & Van Co. has purchased for $125,000 the plot, 50 by 107 feet and improved with a 4-story fireproof warehouse, at 5822 North Western Avenue.

Chicago—Schoenhofen Terminal Co. has plans for spending $65,000 to extend and improve its warehouse terminal at 16th, Canal and 18th Streets.

Elgin—Elgin Storage & Transfer Co. is erecting a new warehouse and plans to install a Plymetl fumigation vault.

Indiana

Indianapolis—Fort Wayne Warehouse & Motor Distributing Corporation has filed articles changing its name to the Fort Wayne Central Union Truck Terminal, Inc.

Logansport—R. C. Harrison, owner of a transfer company, has opened a 1-story warehouse on Canal Street west of the Chesapeake & Ohio freight building.

Oakland City—Oakland City Ice & Cold Storage Co. has filed papers evidencing formal final dissolution.

South Bend—Grand Trunk Terminal Warehouse Co., recently organized in conjunction with Continental Terminals, Inc., has purchased the Warner Warehouse Co.

Kentucky

Louisville—Interstate Freight Terminal has awarded a contract for erection of a $100,000 warehouse and freight terminal on First Street between Walnut and Liberty Streets.

Maryland

Baltimore—Merchants Terminal Corporation is erecting a 12-story cold storage warehouse with capacity of 2,000,000 cubic feet.

Massachusetts

Boston—King Terminal Co. will soon rebuild its one-story and three-story and basement South Boston warehouse recently wrecked by fire with an estimated loss of $50,000.

Michigan

Grand Rapids—Blodgett Packing & Storage Co. has purchased Helmus Bros., Inc.

Missouri

St. Louis—Illinois Terminal Railway System has preliminary plans for a $600,000 warehouse and freight terminal on 12th Boulevard as the first unit of a $5,000,000 project.

Nebraska

Omaha—Chicago, Rock Island & Pacific Railroad has awarded a contract for construction of a $200,000 one-story and two-story warehouse and freight building at St. Nicholas and 16th Streets.

New Jersey

Jersey City—Pennsylvania Railroad Co. has plans for a $1,000,000 eight-story and basement cold storage warehouse, 325 by 800 feet, with department for dry storage, on Exchange Place fronting on the Hudson River.

New York

New York City—Trinity Trucking Corporation has filed notice of company dissolution under State laws.

New York City—Walton Transfer Co. has leased a floor at 521-523 West 47th Street as its headquarters.

Williamson—Williamson Storage & Ice Co., Inc., has filed notice of increase in capital to $300,000, from $150,000, for general expansion.

Yonkers—Feuer Storage Warehouse has plans for a $140,000 seven-story warehouse on Dock Street.

North Carolina

Greensboro—Southern Railway System is considering construction of a $30,000 warehouse and freight terminal.

Oklahoma

Tulsa—Red Ball Transfer Co. has filed plans for a $45,000 one-story fireproof warehouse.

Pennsylvania

Philadelphia—Pennsylvania Railroad Co. has filed plans for a $200,000 three-story warehouse, 50 by 260 feet, on 32nd Street near Market Street.

Philadelphia—Philadelphia Drayage & Express Co. has secured a franchise to

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New Incorporations Within the Industry

California

LOS ANGELES—Salrey Warehouse Co. Cold storage warehousing. Capital, $25,000. Incorporators, I. W. Stewart, G. N. Wilson and F. G. Sherrill.

Connecticut

New Haven—People's Cold Storage & Warehouse Co., Inc. Cold storage warehousing and express. Capital, $50,000. Incorporators, Benjamin Moskey of Hartford and Joseph Alexander of New Haven.

Delaware

Wilmington — Aero Coast Express, Inc., incorporated under laws of Delaware to operate airplane express service. Capital, 20,000 shares of no par value stock.

Wilmington—National Motor Ways Transportation, incorporated under laws of Delaware for motor express and hauling. Capital, $100,000.

Florida

Chipley—Tobias & Sons Cold Storage, Inc. Capital not stated. Principal incorporator, Frank Tobias.

Illinois

Chicago—American Motorized Transport, Inc. Capital, 10,000 shares of no par value stock. Incorporators, J. A. Newberry and George S. Newberry.

Chicago—Blue Line Transfer Co. Capital, $25,000. Incorporators, Harlynn Elliott, David V. Nilson and Martin Hoag.

Chicago—National Transport Line, Inc. Capital, $30,000. Incorporators, H. A. Thomas, Dominick Curto and M. E. Nuccio.

Indiana

Indianapolis—Guardian Warehousing Co. (A Delaware corporation). Capital stock represented in Indiana, 101,088 shares. Indiana agent, Jacob S. White, Indianapolis.

Iowa

Des Moines—Des Moines Warehouse Investment Corporation. Capitalization, $25,000. Officers, W. Allen Whitefield, president; J. H. Allen, vice-president, and May McLaughlin, secretary.

Louisiana

New Orleans—Public Ice Manufacturing Co., Inc. Cold storage warehouse and ice plant. Capital, $12,500. Principal incorporator, Robert P. Hyams.

Massachusetts

Boston—Cape Cod Motor Express. Charles J. Daley and J. H. Thibault head the company.

Boston—North Terminal Service Corporation. Warehousing and storage. Capital, 1000 shares of no par value common stock. Incorporators, J. Hoover of Brighton and Charles M. Story of Boston.

Lynn—Beacon Fast Freight Corpora-

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New Incorporations Within the Industry

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tion. Capital, $10,000. Chessley W. Stone is president, Joseph Rinderman is vice-president and William J. Duffy of Watertown is treasurer.

Michigan

Owosso—Owosso Storage Warehouse, Inc. Capital, 500 shares of no par value stock. Incorporators, William H. Skinner, Arthur E. Hagen and M. G. Jones.

Saginaw—United Truck Lines, Inc. Warehousing and trucking service. Capital 1200 shares of no par value stock. Incorporators, David Boyle, R. C. Morley and C. Kakoska.

New Jersey

Camden—General Cold Storage Co. Capital, $1,000,000.

Union City—Allied Freight Distributors, Inc. Capital, 2000 shares of no par value stock. Incorporators, Edwin A. A. Miller and Alexander B. Klotz.

New York

Brooklyn—Art Storage & Moving Co. Capital, 100 shares of no par value common stock. Principal incorporator, Benjamin Lichterman, Manhattan.

Brooklyn — Norman Storage Warehouse, Inc. Storage warehousing and transfer service. Capital, $20,000. Principal incorporator, S. D. Turk.

Buffalo—Buffalo Motor Express Terminal, Inc. General storage and warehouse business. Capital, $25,000. Stockholders, Harvey Ebrines, Marion Ebrines and V. F. Palmer.

New York City—Century Forwarding Co. Capital, $5,000. Principal incorporator, A. A. Atha.

New York City—Consumers Warehouse Corporation. Warehousing and transfer service. Capital, $20,000.

New York City—Zeppelin Moving & Forwarding Co. Capital, $30,000. Principal incorporator, M. Levy.

Ohio

Akron—Moody Warehouse, Inc. General storage and transfer business. Capital, 200 shares of no par value stock. Incorporators, W. H. Moody, C. R. Moody and I. C. Moody.

Canton—Todvern Motor Freight Co. Capital, 250 shares of no par value stock. Incorporators, F. I. Kimball, B. E. Muang and James E. Kinnison.

Cleveland—Haber Moving & Storage Co. Storage and haulage business. Capital, 250 shares of no par value stock. Incorporators, R. S. Horan, Helen M. Hodges and Leonard S. Frost.

Fostoria — Cramer Motor Freight Line, Inc. Capital, $10,000. Incorporators, O. P. Cramer, Frederick W. Johnston and Lester A. Stewart.

Youngstown — Inter-State Express, Inc. Capital, 120 shares of no par value stock. Incorporators, Elmer E. Urul and Mitchell Moskley.

Pennsylvania

Philadelphia—Collins Warehouse, Inc. Capital, $15,000. Representative, Lester Cohen, Melrose.

Philadelphia—Quality Motor Express. Organized with A. A. Moyer as its head.

Tennessee

Chattanooga — Johnson Transfer & Freight Line. Capitalization, $25,000. Incorporators, W. E. Wilkerson, J. H. Barick and W. A. Wilkerson.

Texas

Dallas—Texas-Oklahoma Compress & Warehouse Co. Capital not stated. Incorporators, B. L. Anderson, J. H. Bellis and J. K. Gate.

Houston—Houston Truck Lines, Inc. Capital, $50,000. Incorporators, Carl de Seay and H. C. Brooking.

Wisconsin

Baraboo—Benzies-Montayne Fuel & Warehouse Co. Warehousing. Capital, $50 000. Incorporators, W. A. Marling, William Benzies, Jr., and Mark Montayne.

Chilton—East Wisconsin Storage Co. Nominal capital, $5,000. Incorporators, Frank Tesch, Roland C. Tesch and W. N. Knauf.

Eau Claire—Eau Claire Truck Terminals. To operate trucks for transport of merchandise. Incorporators, E. Berg, C. Mueller and H. Elwell.

Milwaukee — Diamond Cartage Co. Capital, 100 shares of $100 each. Incorporators, A. Vasholz, E. Vasholz and W. John.

Milwaukee—Milwaukee Trucking Terminals, Inc. Warehousing and trucking. Capital not stated. Incorporators, M. S. Hoffman and Herman E. Friedrich.

This Month's Puzzle

FOR once a warehouseman's customer has failed to file a complaint for "loss" of merchandise in storage!

This client recently stored 88 cases and 64 barrels, all unlabeled, in the Houston Ice & Cold Storage Plant. It was understood that the contents comprised dry cell batteries.

Presently Federal officials took charge of the stock, and the warehouseman's customer could not be found, had left no forwarding address, and filed no claim.

Cold Storage Temperatures

Cold storage warehousemen will find valuable information in the U. S. Department of Agriculture's new bulletin, 1133-D, "The Freezing Temperatures of Some Fruits, Vegetables and Cut Flowers." A copy may be obtained free on application.

Ferriss Company Joins Chain

The Ferriss Warehouse & Storage Co., Pensacola, Fla., has become a member of the American Chain of Warehouses.

Construction, Removals, Purchases and Changes

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operate in Philadelphia, Montgomery, Delaware, Bucks and Chester counties and will develop facilities for storage and general trucking service.

Pittsburgh—Harrison-Shields Co. will occupy as a warehouse a factory building, on a site 20 by 121 feet, in Protectory Place. The four-story brick structure is being renovated for storage purposes.

Rhode Island

Providence—Merchants Cold Storage & Warehouse Co. is erecting a one-story brick garage.

South Carolina

Greenville—Southeastern Compress & Warehouse Co., Atlanta, Ga., has concluded negotiations for the purchase of the warehouse and business of the Greenville Warehouse & Compress Co.

South Dakota

Rapid City—Harry O'Neil and associates are planning organization of a company to operate a bonded warehouse. A site 150 by 200 feet has been acquired.

Tennessee

Memphis—Hanker & Cairns, architects, are preparing plans for a one-story bonded warehouse on Front Street for a company whose name is temporarily withheld.

Memphis—Valley Warehouse Corporation has filed an amendment increasing its capital stock to $50,000 from $10,000.

Texas

El Paso—Owen Warehouse Co. has decreased its capital stock to $2,500 from $10,000.

Elsa—Central Power & Light Co. will erect a $40,000 cold storage warehouse and ice plant.

Mercedes—Central Power & Light Co. will erect a $100,000 cold storage warehouse and ice plant.

San Antonio—Merchants Transfer & Storage Co. is the new name of the Merchants Transfer Co.

Virginia

Norfolk—Norfolk Terminal & Transportation Co., a subsidiary of the Chesapeake & Ohio Railroad, has taken title to the Norfolk properties of the Southgate Terminal Corporation.

Washington

Cashmere—Cashmere Cold Storage & Warehouse Co. is planning extensions and improvements in its cold storage plant.

Seattle—Lyon Van & Storage Co., Inc., has completed plans for a $75,000 four-story warehouse, 45 by 100 feet, at 2030 Dexter Ave.

Spokane—Bekins Moving & Storage Co. formally opened on Aug. 5 its $150,000 six-story household goods depository at Stevens Street and the Northern Pacific right of way.